

SANTA ROSA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS

FINANCIAL STATEMENTS

SEPTEMBER 30, 1999

**SANTA ROSA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS**

FINANCIAL STATEMENTS

SEPTEMBER 30, 1999

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	3
 SPECIAL PURPOSE FINANCIAL STATEMENTS	
Combined Balance Sheet - All Fund Types and Account Groups.....	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.....	7
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types.....	8
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Types.....	10
Combined Statement of Cash Flows - Proprietary Fund Types.....	11
Notes to Financial Statements	12
Year 2000 Required Supplementary Information (Unaudited).....	42
 COMBINING FINANCIAL STATEMENTS	
SPECIAL REVENUE FUNDS	43
Combining Balance Sheet.....	44
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	46
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	48
CAPITAL PROJECT FUNDS	53
Combining Balance Sheet.....	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	56
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	58

**SANTA ROSA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS**

FINANCIAL STATEMENTS

SEPTEMBER 30, 1999

CONTENTS

	<u>Page</u>
COMBINING FINANCIAL STATEMENTS -- CONTINUED	
ENTERPRISE FUNDS	61
Combining Balance Sheet	62
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	63
Combining Statement of Cash Flows	64
INTERNAL SERVICE FUNDS	65
Combining Balance Sheet	66
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	67
Combining Statement of Cash Flows	68
TRUST AND AGENCY FUNDS	69
Combining Statement of Changes in Assets and Liabilities	70
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	71
MANAGEMENT LETTER	73
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH BOND COVENANTS	77



INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Honorable Mary M. Johnson, Clerk and Accountant to the
Board of County Commissioners
Santa Rosa County, Florida

We have audited the accompanying special purpose financial statements, as listed in the table of contents, of the Board of County Commissioners of Santa Rosa County, Florida (hereinafter referred to as "Board"), as of and for the year ended September 30, 1999. These special purpose financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The valuations for general fixed assets were not properly documented. The Board has not established records showing the actual or estimated historical cost of these assets. It was not feasible to apply alternative auditing procedures to determine the fairness of values reported.

The accompanying financial statements were prepared for the purpose of complying with state reporting requirements as described in Note A and are intended to present the financial position and results of operations of only that portion of the financial reporting entity of Santa Rosa County, Florida that is attributable to the transactions of the Board of County Commissioners of Santa Rosa County, Florida.

In our opinion, except for the effects of adjustments, if any, that might have been disclosed had the valuations for general fixed assets been documented as described in the third paragraph of this report, the special purpose financial statements referred to above, present fairly, in all material respects, the financial position of the Board of County Commissioners of Santa Rosa County, Florida, as of September 30, 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2000 on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the special purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the special purpose financial statements of the Board. Such information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the special purpose financial statements taken as a whole.

The Year 2000 required supplementary information on page 42 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Board of County Commissioners is or will become Year 2000 compliant, that the Board of County Commissioners' Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Board of County Commissioners does business are or will become Year 2000 compliant.

O'Sullivan Hicks Patton, LLP

January 25, 2000

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS**

September 30, 1999

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum only)
ASSETS AND OTHER DEBITS	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Debt	
Cash and cash equivalents	\$ 334,503	\$ 1,530,173	\$ 36,177	\$ 840,956	\$ 649,735	\$ 11,414	\$ 179,224	\$ --	\$ --	\$ 3,582,182
Investments	6,818,579	19,829,436	121,456	7,817,070	5,018,379	2,203,027	--	--	--	41,807,947
Restricted assets										
Investments	--	--	--	--	1,666,226	--	--	--	--	1,666,226
Receivables, net of uncollectibles										
Accounts	173,057	274,656	--	--	226,796	22,509	10,280	--	--	707,298
Interest	--	--	--	--	33,201	--	--	--	--	33,201
Leases - current	--	--	--	--	14,660	--	--	--	--	14,660
Notes - long term	--	--	--	--	1,804,843	--	--	--	--	1,804,843
Advances receivable	11,667	--	--	--	--	--	--	--	--	11,667
Leases - long-term	--	--	--	--	62,096	--	--	--	--	62,096
Due from other governments	2,037,668	3,887,959	--	100,000	--	--	--	--	--	6,025,627
Due from other funds	926,885	105,788	--	70,557	--	188,382	--	--	--	1,291,612
Inventory	30,487	249,701	--	--	--	--	--	--	--	280,188
Deferred charges	--	--	--	--	201,917	--	--	--	--	201,917
Fixed assets, net of accumulated depreciation	--	--	--	--	9,933,383	46,548	--	71,191,671	--	81,171,602
Amount to be provided for compensated absences	--	--	--	--	--	--	--	--	2,322,102	2,322,102
Amount to be provided for retirement of general long-term obligations	--	--	--	--	--	--	--	--	8,502,867	8,502,867
Amount available in debt service fund	--	--	--	--	--	--	--	--	157,633	157,633
Total assets	\$ 10,332,846	\$ 25,877,713	\$ 157,633	\$ 8,828,583	\$ 19,611,236	\$ 2,471,880	\$ 189,504	\$ 71,191,671	\$ 10,982,602	\$ 149,643,668

Continued...

The accompanying notes are an integral part of these financial statements.

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS - CONTINUED**

September 30, 1999

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Debt	
LIABILITIES AND OTHER CREDITS										
Accounts payable	\$ 296,180	\$ 629,501	\$ --	\$ 168,837	\$ 66,665	\$ 51,752	\$ 168,658	\$ --	\$ --	\$ 1,381,593
Claims payable	--	--	--	--	--	2,437,471	--	--	--	2,437,471
Accrued compensation	226,556	140,173	--	--	26,302	1,360	--	--	--	394,391
Payable from restricted assets										
Revenue bonds - current	--	--	--	--	627,500	--	--	--	--	627,500
Accrued interest	--	--	--	--	55,233	--	--	--	--	55,233
Deposits	116,456	--	--	--	126,700	--	--	--	--	243,156
Current portion of landfill closure cost	--	--	--	--	172,139	--	--	--	--	172,139
Deferred revenue	167,992	--	--	--	788,405	--	--	--	--	956,397
Due to other funds	102,000	960,059	--	168,904	9,803	30,000	20,846	--	--	1,291,612
Due to other governments	17,449	--	--	--	764	--	--	--	--	18,213
Advance payable to other funds	--	11,667	--	--	--	--	--	--	--	11,667
Compensated absences	--	--	--	--	290,043	917	--	--	2,322,102	2,613,062
Notes payable	--	--	--	--	--	--	--	--	4,351,712	4,351,712
Special assessment notes	--	--	--	--	--	--	--	--	798,788	798,788
Landfill closure costs	--	--	--	--	6,292,476	--	--	--	--	6,292,476
Revenue bonds payable	--	--	--	--	5,274,551	--	--	--	3,510,000	8,784,551
Total liabilities	<u>926,633</u>	<u>1,741,400</u>	<u>--</u>	<u>337,741</u>	<u>13,730,581</u>	<u>2,521,500</u>	<u>189,504</u>	<u>--</u>	<u>10,982,602</u>	<u>30,429,961</u>
FUND EQUITY										
Contributed capital		--	--	--	9,478,095	125,665	--	--	--	9,603,760
Investment in general fixed assets	--	--	--	--	--	--	--	71,191,671	--	71,191,671
Retained earnings (accumulated deficit)										
Reserved		--	--	--	25,533	--	--	--	--	25,533
Unreserved		--	--	--	(3,622,973)	(175,285)	--	--	--	(3,798,258)
Fund balances										
Reserved	495,126	6,005,957	157,633	3,113,793	--	--	--	--	--	9,772,509
Unreserved	8,911,087	18,130,356	--	5,377,049	--	--	--	--	--	32,418,492
Total retained earnings(accumulated deficit)/ fund balances	<u>9,406,213</u>	<u>24,136,313</u>	<u>157,633</u>	<u>8,490,842</u>	<u>(3,597,440)</u>	<u>(175,285)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>38,418,276</u>
Total fund equity (deficit)	<u>9,406,213</u>	<u>24,136,313</u>	<u>157,633</u>	<u>8,490,842</u>	<u>5,880,655</u>	<u>(49,620)</u>	<u>--</u>	<u>71,191,671</u>	<u>--</u>	<u>119,213,707</u>
Total liabilities and fund equity	<u>\$ 10,332,846</u>	<u>\$ 25,877,713</u>	<u>\$ 157,633</u>	<u>\$ 8,828,583</u>	<u>\$ 19,611,236</u>	<u>\$ 2,471,880</u>	<u>\$ 189,504</u>	<u>\$ 71,191,671</u>	<u>\$ 10,982,602</u>	<u>\$ 149,643,668</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida
Board of County Commissioners

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES

Year ended September 30, 1999

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum only)
Revenues					
Taxes	\$ 8,951,219	\$ 23,472,792	\$ --	\$ --	\$ 32,424,011
Licenses and permits	1,624,647	--	--	--	1,624,647
Intergovernmental	8,196,848	5,018,073	--	100,000	13,314,921
Charges for services	681,299	3,486,709	--	--	4,168,008
Fines and forfeits	200,759	1,494,080	--	--	1,694,839
Miscellaneous	547,808	1,470,663	19,880	461,460	2,499,811
Total revenues	20,202,580	34,942,317	19,880	561,460	55,726,237
Expenditures					
Current					
General government	9,450,540	1,922,152	--	--	11,372,692
Public safety	3,399,137	18,665,838	--	267,742	22,332,717
Physical environment	1,295,284	283,751	--	--	1,579,035
Transportation	--	8,707,863	--	--	8,707,863
Economic environment	114,838	951,694	--	--	1,066,532
Human services	2,765,098	17,368	--	--	2,782,466
Culture and recreation	929,211	395,855	--	--	1,325,066
Capital outlay	--	96,679	--	4,407,755	4,504,434
Debt service	--	--	1,749,754	872,043	2,621,797
Total expenditures	17,954,108	31,041,200	1,749,754	5,547,540	56,292,602
Excess (deficiency) of revenues over expenditures	2,248,472	3,901,117	(1,729,874)	(4,986,080)	(566,365)
Other financing sources (uses)					
Operating transfers in	456,233	599,029	1,773,600	4,185,037	7,013,899
Operating transfers out	(1,225,485)	(2,842,429)	--	(2,985,985)	(7,053,899)
Note proceeds	--	--	--	2,664,000	2,664,000
Total other financing sources (uses)	(769,252)	(2,243,400)	1,773,600	3,863,052	2,624,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,479,220	1,657,717	43,726	(1,123,028)	2,057,635
Fund balances, beginning of year	7,941,241	22,592,857	113,907	9,613,870	40,261,875
Change in reserve for inventory	(14,248)	(114,261)	--	--	(128,509)
Fund balances, end of year	\$ 9,406,213	\$ 24,136,313	\$ 157,633	\$ 8,490,842	\$ 42,191,001

The accompanying notes are an integral part of these financial statements.

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES**

Year ended September 30, 1999

	General Fund			Special Revenue Funds			Debt Service Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Taxes	\$8,588,110	\$8,951,219	\$ 363,109	\$ 22,316,520	\$ 23,472,792	\$ 1,156,272	\$ --	\$ --	\$ --
Licenses and permits	1,199,850	1,624,647	424,797	--	--	--	--	--	--
Intergovernmental	7,127,469	8,196,848	1,069,379	6,774,587	5,018,073	(1,756,514)	--	--	--
Charges for services	184,790	681,299	496,509	1,763,731	3,486,709	1,722,978	--	--	--
Fines and forfeits	123,500	200,759	77,259	891,910	1,494,080	602,170	--	--	--
Miscellaneous	387,945	547,808	159,863	1,468,651	1,470,663	2,012	--	19,880	19,880
Total revenues	17,611,664	20,202,580	2,590,916	33,215,399	34,942,317	1,726,918	--	19,880	19,880
Expenditures									
Current									
General government	9,759,713	9,450,540	309,173	2,012,087	1,922,152	89,935	--	--	--
Public safety	3,787,864	3,399,137	388,727	20,453,495	18,665,838	1,787,657	--	--	--
Physical environment	1,254,911	1,295,284	(40,373)	368,504	283,751	84,753	--	--	--
Transportation	--	--	--	10,872,322	8,707,863	2,164,459	--	--	--
Economic environment	138,265	114,838	23,427	1,283,389	951,694	331,695	--	--	--
Human services	3,067,933	2,765,098	302,835	36,460	17,368	19,092	--	--	--
Culture and recreation	1,019,937	929,211	90,726	809,539	395,855	413,684	--	--	--
Capital outlay	--	--	--	199,596	96,679	102,917	--	--	--
Debt service	--	--	--	--	--	--	1,761,565	1,749,754	11,811
Total expenditures	19,028,623	17,954,108	1,074,515	36,035,392	31,041,200	4,994,192	1,761,565	1,749,754	11,811
Excess (deficiency) of revenues over expenditu	(1,416,959)	2,248,472	3,665,431	(2,819,993)	3,901,117	6,721,110	(1,761,565)	(1,729,874)	31,691
Other financing sources (uses)									
Operating transfers in	359,086	456,233	97,147	603,158	599,029	(4,129)	1,761,565	1,773,600	12,035
Operating transfers out	(1,213,450)	(1,225,485)	(12,035)	(2,904,957)	(2,842,429)	62,528	--	--	--
Total other financing sources (uses)	(854,364)	(769,252)	85,112	(2,301,799)	(2,243,400)	58,399	1,761,565	1,773,600	12,035
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,271,323)	1,479,220	3,750,543	(5,121,792)	1,657,717	6,779,509	--	43,726	43,726
Fund balances, beginning of year	2,938,672	7,941,241	5,002,569	11,191,619	22,592,857	11,401,238	--	113,907	113,907
Change in reserve for inventory	--	(14,248)	(14,248)	--	(114,261)	(114,261)	--	--	--
Fund balances, end of year	\$ 667,349	\$9,406,213	\$8,738,864	\$ 6,069,827	\$ 24,136,313	\$ 18,066,486	\$ --	\$ 157,633	\$ 157,633

The accompanying notes are an integral part of these financial statements.

Continued...

Santa Rosa County, Florida
Board of County Commissioners

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
ALL GOVERNMENTAL FUND TYPES**

Year ended September 30, 1999

	Capital Projects Fund			Totals (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$ --	\$ --	\$ --	30,904,630	\$ 32,424,011	\$ 1,519,381
Licenses and permits	--	100,000	(100,000)	1,199,850	1,724,647	324,797
Intergovernmental	--	--	--	13,902,056	13,214,921	(687,135)
Charges for services	--	--	--	1,948,521	4,168,008	2,219,487
Fines and forfeits	--	--	--	1,015,410	1,694,839	679,429
Miscellaneous	285,000	461,460	(176,460)	2,141,596	2,499,811	5,295
Total revenues	285,000	561,460	(276,460)	51,112,063	55,726,237	4,061,254
Expenditures						
Current						
General government	--	--	--	11,771,800	11,372,692	399,108
Public safety	267,742	267,742	--	24,509,101	22,332,717	2,176,384
Physical environment	--	--	--	1,623,415	1,579,035	44,380
Transportation	--	--	--	10,872,322	8,707,863	2,164,459
Economic environment	--	--	--	1,421,654	1,066,532	355,122
Human services	--	--	--	3,104,393	2,782,466	321,927
Culture and recreation	--	--	--	1,829,476	1,325,066	504,410
Capital outlay	5,458,619	4,407,755	1,050,864	5,658,215	4,504,434	1,153,781
Debt service	869,074	872,043	(2,969)	2,630,639	2,621,797	8,842
Total expenditures	6,595,435	5,547,540	1,047,895	63,421,015	56,292,602	7,128,413
Excess (deficiency) of revenues over expenditures	(6,310,435)	(4,986,080)	1,324,355	(12,308,952)	(566,365)	11,742,587
Other financing sources (uses)						
Operating transfers in	4,242,006	4,185,037	56,969	6,965,815	7,013,899	162,022
Operating transfers out	(2,887,639)	(2,985,985)	98,346	(7,006,046)	(7,053,899)	148,839
Note proceeds	2,664,000	2,664,000	--	2,664,000	2,664,000	--
Total other financing sources (uses)	4,018,367	3,863,052	(155,315)	2,623,769	2,624,000	310,861
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,292,068)	(1,123,028)	1,169,040	(9,685,183)	2,057,635	11,742,818
Fund balances, beginning of year	9,582,617	9,613,870	(31,253)	23,712,908	40,261,875	16,486,461
Change in reserve for inventory	--	--	--	--	(128,509)	(128,509)
Fund balances, end of year	<u>\$ 7,290,549</u>	<u>\$ 8,490,842</u>	<u>\$ 1,137,787</u>	<u>\$ 14,027,725</u>	<u>\$ 42,191,001</u>	<u>\$ 28,100,770</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida
Board of County Commissioners

**COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPES**

Year ended September 30, 1999

	Enterprise Funds	Internal Service Funds
Operating revenues		
Charges for services	\$ 4,625,977	\$ 153,091
Leases	983,203	--
Premiums received	--	741,278
Insurance proceeds	--	52,291
Miscellaneous	16,627	(1,305)
Total operating revenues	<u>5,625,807</u>	<u>945,355</u>
Operating expenses		
Personal services	986,953	24,758
Contract services	444,821	47,770
Supplies	55,630	3,553
Repairs and maintenance	359,267	41,470
Utilities	154,952	--
Depreciation	660,351	21,758
Travel and per diem	8,314	496
Insurance	2,644	182,586
Communications	24,231	280,306
Advertising	201	--
Fuel and oil	68,413	--
Rentals	4,189	--
Landfill closure and maintenance	(1,406,191)	--
Claims	--	2,136,051
State assessment	--	59,590
Bad debt	70,059	--
Miscellaneous	6,634	4,475
Total operating expenses	<u>1,440,468</u>	<u>2,802,813</u>
Operating income (loss)	<u>4,185,339</u>	<u>(1,857,458)</u>
Non-operating revenues (expenses)		
Sale of land	104,500	--
Interest income	373,983	152,580
Interest expense	(347,770)	--
State grants	76,678	--
Aid to private organizations	(30,000)	--
Amortization & other bond costs	(35,706)	--
Total non-operating revenues (expenses)	<u>141,685</u>	<u>152,580</u>
Income (loss) before operating transfers	4,327,024	(1,704,878)
Operating transfers in (out)	<u>--</u>	<u>40,000</u>
Net income (loss)	4,327,024	(1,664,878)
Retained earnings (accumulated deficit), beginning of year	<u>(7,924,464)</u>	<u>1,489,593</u>
Retained earnings (accumulated deficit), end of year	<u>\$ (3,597,440)</u>	<u>\$ (175,285)</u>

The accompanying notes are an integral part of these financial statements.

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES**

Year ended September 30, 1999

	Enterprise	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 4,185,339	\$ (1,857,458)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	660,351	21,758
Bad debt	70,059	--
Change in assets and liabilities		
(Increase) decrease in:		
Accounts receivable	61,007	(15,422)
Leases receivable	(9,669)	--
Due from other governments	139,534	35,900
(Decrease) increase in:		
Accounts payable	(749,758)	(49,523)
Accrued compensation	647	(666)
Annual and sick leave	(8,636)	787
Landfill closure costs payable	(1,406,191)	--
Claims payable	--	438,904
Deferred revenue	(4,905)	--
Deposits	7,560	--
Due to other governments	(2,211)	--
Net cash provided (used) by operating activities	2,943,127	(1,425,720)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers in	--	40,000
State grants	76,678	--
Aid to private organizations	(30,000)	--
(Increase) decrease in due from other funds	--	(131,321)
Increase (decrease) in due to other funds	--	641
Net cash provided (used) by noncapital financing activities	46,678	(90,680)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition & construction of capital assets	(1,396,583)	--
Proceeds from sale of land	104,500	--
Proceeds from note receivable	11,399	--
Interest paid	(353,422)	--
Payments on bonds and leases	(620,000)	--
Net cash used by capital and related financing activities	(2,254,106)	--
CASH FLOWS FROM INVESTING ACTIVITIES		
Net sale (purchase) of investments - State Investment Pool	(1,940,959)	1,222,687
Interest income	373,983	152,580
Net cash provided (used) by investing activities	(1,566,976)	1,375,267
NET INCREASE (DECREASE) IN CASH	(831,277)	(141,133)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,481,012	152,547
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 649,735	\$ 11,414

The accompanying notes are an integral part of these financial statements.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied consistently in the preparation of the financial statements follows:

1. Reporting Entity

The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity", established standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations. As concluded by the GASB, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Board of County Commissioners of Santa Rosa County is the principal legislative and governing body of the County, as provided by the Florida Constitution, Article 8, Section 1(e), and Chapter 125, Florida Statutes. The Board consists of five Commissioners elected by the voters of the County for terms of four years each.

The Board of County Commissioners is considered part of Santa Rosa County, Florida's primary government for purposes of GASB No. 14. These special purpose financial statements of the Board of County Commissioners are issued separately to comply with Section 10.557(4), Rules of the Auditor General for Local Governmental Entity Audits, pursuant to Section 11.45(3)(a)4, Florida Statutes and do not include the Property Appraiser, Tax Collector, Clerk of the Circuit Court, Sheriff, Supervisor of Elections (collectively known as County officers), or other independent authorities and boards. The Board's financial statements do not purport to reflect the financial position or the results of operations of Santa Rosa County taken as a whole.

Dependent Special Districts

Blackwater Soil & Water Conservation District - The activities of the Blackwater Soil & Water Conservation District are included in these financial statements as a department of the Board of County Commissioners within the General Fund.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- CONTINUED

Pace Property Finance Authority - The Pace Property Finance Authority (Authority) was created in March 1990 by County Resolution No. 90-12 pursuant to Chapter 617 of the Florida Statutes. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, based on the criteria of GASB Statement No. 14 outlined above, the Authority is a component unit of Santa Rosa County. However, the Authority meets the criteria for inclusion in more than one reporting entity - Pace Water System as well as Santa Rosa County. GASB Statement No. 14 indicates that in these cases, judgment must be exercised by management of the reporting entities as to which reporting entity the organization should be included. The Authority has the same elected governing body as the Pace Water System. Additionally, both the Authority and Pace Water System own portions of a single water/sewer system; thus, their fixed assets are part of an interconnected system. Finally, the Authority's debt was issued solely to finance the Pace water/sewer system improvements. Based on these facts, management has decided to include the Authority in the combined financial statements of Pace Water System rather than as a component unit of Santa Rosa County.

Santa Rosa County Health Facilities Authority - The Santa Rosa County Health Facilities Authority (Authority) was created in May 1982 by County Ordinance No. 82-02 pursuant to Section 154, Florida Statutes. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, based on the criteria of GASB Statement No. 14 outlined above, the Authority is a component unit of Santa Rosa County. The Board of County Commissioners (Board) appoints the five (5) members of the Authority. Additionally, the Board may abolish the Authority at any time by ordinance or resolution as long as all bonded indebtedness incurred by the Authority has been paid. The Authority exists solely to assist health facilities within Santa Rosa County with the acquisition, construction, financing, and refinancing of projects. The Authority issued approximately \$15.8 million in bonds in 1983, lending the proceeds of the bonds to Gulf Breeze Hospital. These bonds were subsequently defeased in 1988 when the Authority issued approximately \$17.3 million in new bonds. The 1988 bonds were defeased in 1993 when the Authority issued approximately \$18.6 million in new bonds. The debt outstanding is a limited obligation of the Authority and not a general obligation of the Authority or Santa Rosa County. The Authority is not obligated to pay the principal and interest on the bonds except from the revenues of the Authority pursuant to its loan agreement with Gulf Breeze Hospital. The Authority has no financial activity and the bonds issued under the Authority's name are recorded in the books of the hospital.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- CONTINUED

Santa Rosa County Housing Finance Authority - The Santa Rosa County Housing Finance Authority (Authority) was created in September 1984 by County Resolution No. 84-18 pursuant to Chapter 78-89, Laws of Florida codified as Chapter 159, Part IV, Section 159.601 through 159.623. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, based on the criteria of GASB Statement No. 14 outlined above, the Authority is a component unit of Santa Rosa County. However, this entity has had no financial activity since inception. Instead, the Santa Rosa County Board of County Commissioners adopted Resolution No. 90-06 approving the issuance of bonds and authorizing the Escambia County Housing Finance Authority to expand its area of operation to include Santa Rosa County for the purpose of the bond issue, and approving an interlocal agreement between the Santa Rosa County Housing Finance Authority and the Escambia County Housing Finance Authority dated as of January 25, 1990. The Santa Rosa County Board of County Commissioners has subsequently issued Resolutions 95-22, 96-20, 97-43, and 98-32 also approving the issuance of bonds and authorizing the Escambia County Housing Finance Authority to expand its area of operation to include Santa Rosa County for the purpose of the bond issue, and approving an interlocal agreement between the Santa Rosa County Housing Finance Authority and the Escambia County Housing Finance Authority. The Escambia County Housing Finance Authority serves the housing needs of Santa Rosa County residents pursuant to this interlocal agreement. Thus, there is no financial activity related to the Santa Rosa County Housing Finance Authority to be reflected in these financial statements.

2. Fund Accounting

The accounts of the Board of County Commissioners are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- CONTINUED

The funds and account groups used by the Board of County Commissioners are as follows:

Governmental Funds

These funds utilize a modified accrual basis of accounting. The measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources rather than upon net income determination). The governmental funds utilized are:

General Fund is used to account for all financial resources not required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Fund accounts for the accumulation of resources for, and the payment of, principal, interest and related costs of general long-term debt.

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Funds

The two types of proprietary funds are enterprise funds and internal service funds.

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- CONTINUED

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments or agencies of the Board or to other governmental units on a cost-reimbursement basis.

Fiduciary Funds

The two types of fiduciary funds are trust and agency funds.

Trust and Agency Funds are used to account for assets held by the Board in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

Account groups are used to establish accountability for the Board's general fixed assets and long-term debt. These self-balancing account groups are not funds and do not reflect available financial resources and related liabilities.

General Fixed Assets Account Group - accounts for all fixed assets of the Board, except those accounted for in the proprietary funds.

General Long-Term Debt Account Group - accounts for all long-term obligations of the Board, except those accounted for in the proprietary funds.

3. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- CONTINUED

3. Measurement Focus (Continued)

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total assets. Pursuant to the election option made available by GASB Statement No. 20, pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund types.

4. Basis of Accounting

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term obligations are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

The revenues susceptible to accrual are charges for services, licenses, interest revenue, and excess fees of constitutional officers. Sales taxes and other taxes collected and held by an intermediary at year-end on behalf of the Board are also recognized as revenue.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Board reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Board before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In the subsequent period when both revenue recognition criteria are met, or when the Board has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- CONTINUED

5. Budgets and Budgetary Accounting

Florida Statutes Chapters 129 and 200 govern the preparation, adoption, and administration of the County's annual budget. The budget must be balanced, i.e., the estimated revenues plus beginning fund balance brought forward must equal appropriations and be prepared on a basis consistent with generally accepted accounting principles (GAAP) as applicable to governmental units. The Board may, at any time within a fiscal year, amend a budget for that year as follows:

Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by motion recorded in the minutes, provided that the total of the appropriations of the fund not be changed. The Board may establish procedures by which the budget officer may authorize certain interdepartmental budget amendments, provided that the total appropriation of the department is not changed. All annual appropriations lapse at fiscal year end.

6. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the governmental funds. Appropriations lapse at the end of the year and any outstanding encumbrances are canceled and reissued in the subsequent year.

7. Cash and Cash Equivalents

For purposes of the statements of cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

8. Investments

Investments in bank certificates of deposit, U.S. Treasury bills, government backed securities and the Florida Local Government Investment Trust Fund are recorded at fair value. Investments in the Local Government Surplus Funds Trust Fund are recorded at the Board's equity position in the fund's share price.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- CONTINUED

9. Inventory

Inventory consists of gas, oil, automotive parts, road signs, culverts, and various other items used by the road department and insecticides used by mosquito control operations. Inventory is valued at cost (first in, first out). The cost is recorded as an expenditure at the time the inventory is purchased.

Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

10. Accounting for Fixed Assets

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. No depreciation is provided for general fixed assets.

Depreciation of all exhaustible fixed assets used by the proprietary funds is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	20 - 50 years
Water Distribution	20 years
Improvements	10 - 20 years
Equipment	3 - 10 years

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. Infrastructure (roads, bridges, curbs, etc.) is not recorded because such items are of value only to the Board.

The Board does not capitalize interest expense on borrowings used to finance construction of general fixed assets or fixed assets of proprietary fund types, as the capitalizable interest, after netting of interest earnings, is normally insignificant.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- CONTINUED

11. Compensated Absences

In governmental fund types, the Board accrues the current portion of the liability for accumulated unpaid sick leave, annual leave or compensatory time that will be paid within the next fiscal year in the appropriate governmental funds. Amounts due in subsequent years are included in the General Long-Term Debt account group. Proprietary fund types accrue benefits in the period they are earned.

12. Property Taxes

Real and personal property valuations are determined each year as of January 1 by the Property Appraiser's office. Florida Statutes require that all property be assessed at 100 percent of just value.

All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4, 3, 2 and 1 percent are allowed for early payment in November through February, respectively. The Tax Collector advertises as required by statute and sells tax certificates for unpaid taxes on real property. Certificates not sold are considered "County Held Certificates." Persons owning land upon which a tax certificate has been sold may redeem the land by paying the face amount of the tax certificate, plus interest and other costs.

13. Landfill Closure Costs

Under the terms of current state and federal regulations, the Board is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to thirty years after closure. The Board recognizes these costs of closure and post-closure maintenance over the active life of each landfill area, based on landfill capacity used during the period.

14. Allowance for Uncollectible Amounts

Historically, differences between receivables and amounts collected have been insignificant. Accordingly, no provision has been made for uncollectible amounts.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- CONTINUED

15. Total Columns on Combined Statements

Total columns are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles.

NOTE B - CASH AND INVESTMENTS

At September 30, 1999, the bank held deposits of \$763,435 consisting of amounts held in checking, savings, money market or time deposit accounts. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida.

The Board's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Pursuant to Florida Statutes Section 218.415, the Board adopted an investment policy which outlines the Board's investment responsibilities, objectives, and policies. The Board's investment policy authorizes the Board to invest in the following:

- a. The Local Government Surplus Funds Trust Fund (SBA) (State Pool);
- b. Florida Local Government Investment Trust (FLGIIT) (State Investment Trust);
- c. Qualified money market mutual funds;

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE B - CASH AND INVESTMENTS -- CONTINUED

- d. U.S. Treasury bills, notes and bonds;
 - e. Obligations guaranteed by the U.S. Government as to principal and interest such as obligations of the Government National Mortgage Association (GNMA);
 - f. Non-callable Government Agency securities:
 - (i) Federal Farm Credit Bank (FFCB),
 - (ii) Federal Home Loan Mortgage Corporation (FHLMC),
 - (iii) Federal Home Loan Bank (FHLB),
 - (iv) Federal National Mortgage Association (FNMA).
- This classification of government agency securities does not include any mortgage debt of any government agency;
- g. Time deposits and savings accounts in banks or savings and loan associations doing business in Florida;
 - h. Tax-exempt obligations of the State of Florida and its various local governments;
 - i. Repurchase agreements for investments authorized in categories d, e, or f above.

At year end, the overnight repurchase agreement (classified as a cash equivalent) in the amount of \$3,378,000 was 102% collateralized by U.S. Treasury securities, and approximated market value.

Investments at September 30, 1999 are categorized in accordance with GASB Statement No. 3 to indicate the level of credit risk assumed by the Board. All of the County's investments that can be categorized at year end are considered Category 1. Category 1 is defined as insured or registered or for which the securities are held by the County or its agent in the County's name. Investments in the Local Government Surplus Funds Trust and the Florida Local Government Investment Trust Fund are not categorized since the investments are not evidenced by securities that exist in physical or book entry form.

The Local Government Surplus Funds Trust Fund is similar to a mutual fund in that funds are available on a same day basis. As of September 30, 1999, the Local Government Surplus Funds Trust Fund had total investments of approximately \$9.47 billion. The portfolio's average maturity was 35 days. The County allocates interest earned on investments held in the Local Government Surplus Trust Fund based on individual funds' principal balances. The Local Government Surplus Trust Fund is a "2a-7" like pool and is subject to regulatory oversight as specified in Chapter 19-7 of the Florida Administrative Code.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE B - CASH AND INVESTMENTS -- CONTINUED

The Florida Local Government Investment Trust Fund is similar to a mutual fund in that funds are available on a same day basis. As of September 30, 1999, the Florida Local Government Investment Trust Fund had total investments of approximately \$248.8 million. The portfolio's average maturity was 1.2 years. The County allocates interest earned on investments held in the Local Government Surplus Trust Funds Fund based on individual funds' principal balances.

Schedule of Investments at September 30, 1999

	<u>Carrying Amount</u>	<u>Maturity Date</u>
<u>Categorized</u>		
Category 1:		
U.S. Government Sponsored Enterprise Securities:		
Federal Home Loan Bank Discount Note	\$ 2,864,792	7/21/2000
<u>Non-Categorized</u>		
Florida Local Government Investment Trust Fund	6,277,513	N/A
Local Government Surplus Funds Trust Fund	<u>34,331,868</u>	N/A
Total investments	<u>\$43,474,173</u>	

Restricted cash and investments consist of funds set aside for the payment of debt and funds set aside to ensure assets producing the pledged revenues are repaired and replaced as needed. These assets are restricted since their use is limited by the applicable bond indentures. Other restricted assets consist of funds restricted to the payment of future landfill closure costs.

Restricted cash and investments by category and by fund are as follows:

	<u>Enterprise Funds</u>		
	<u>Navarre Beach Fund</u>	<u>Landfill Fund</u>	<u>Total Enterprise</u>
Sinking fund	\$ 102,040	\$ 57,775	\$ 159,815
Bond reserve account	305,000	--	305,000
Debt service	196,289	--	196,289
Landfill escrow	--	979,590	979,590
Renewal and replacement	<u>25,532</u>	<u>--</u>	<u>25,532</u>
	<u>\$ 628,861</u>	<u>\$ 1,037,365</u>	<u>\$ 1,666,226</u>

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE C - NONCASH INVESTING, FINANCING AND CAPITAL ACTIVITIES

Noncash Capital and Related Financing Activities:

Navarre Beach Fund:	
Amortization and other bond issue costs	\$ 29,559
Landfill Fund:	
Amortization and other bond issue costs	\$ 6,147
Industrial Park Fund:	
Transfer of notes receivable and deferred revenues	\$ 57,521

NOTE D - DUE FROM OTHER GOVERNMENTAL UNITS

At September 30, 1999, amounts due from other governmental units were as follows:

Excess fees - Elected officials	\$ 2,755,905
State of Florida - Taxes	1,464,751
State of Florida - Grants	1,603,528
City of Pensacola	31,982
Fines and Forfeits	148,147
Other	<u>21,314</u>
Total	<u>\$ 6,025,627</u>

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE E - FIXED ASSETS

A summary of changes in general fixed assets follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>
Land	\$ 4,745,163	\$ 1,632,987	\$ --	\$ 6,378,150
Buildings	40,589,527	3,192,437	--	43,781,964
Improvements other than buildings	3,151,210	69,231	--	3,220,941
Furniture, fixtures and equipment	13,344,503	--	1,430,443	11,914,060
Construction in progress	<u>6,441,076</u>	<u>1,969,108</u>	<u>2,513,628</u>	<u>5,896,556</u>
Total	<u>\$68,271,479</u>	<u>\$ 4,350,663</u>	<u>\$3,944,071</u>	<u>\$71,191,671</u>

At September 30, 1999, proprietary fund type property, plant, equipment, and other amortizable long-term assets consisted of the following:

	Enterprise <u>Funds</u>	Internal Service <u>Fund</u>
Land	\$ 1,450,886	\$ --
Buildings	1,345,858	--
Improvements other than buildings	9,775,547	--
Furniture, fixtures and equipment	2,656,864	374,786
Construction in progress	<u>2,450,127</u>	<u>--</u>
	17,679,282	374,786
Less accumulated depreciation	<u>(7,745,899)</u>	<u>(328,238)</u>
Total	<u>\$ 9,933,383</u>	<u>\$ 46,548</u>
Depreciation expense	<u>\$ 660,351</u>	<u>\$ 21,758</u>

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE F- LONG-TERM DEBT

1. Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year.

	<u>Balance October 1, 1998</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 1999</u>
General long-term debt				
Compensated absences	\$ 2,069,148	\$ 252,954	\$ --	\$ 2,322,102
Revenue bonds	3,625,000	--	115,000	3,510,000
Notes payable	3,566,310	2,664,000	1,878,598	4,351,712
Special assessment notes	947,345	--	148,557	798,788
Proprietary debt				
Compensated absences	298,809	6,571	14,420	290,960
Landfill closure costs	7,870,806	--	1,406,191	6,464,615
Revenue bonds	<u>6,548,750</u>	<u>--</u>	<u>620,000</u>	<u>5,928,750</u>
Total	<u>\$24,926,168</u>	<u>\$ 2,923,525</u>	<u>\$ 4,182,766</u>	<u>\$ 23,666,927</u>

The unamortized discount and deferred issue costs on proprietary fund bonds was \$26,699 and \$201,917, respectively, at year end.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE F- LONG-TERM DEBT -- CONTINUED

2. Descriptions of Bonds and Notes (Continued)

Bonds and notes payable at September 30, 1999 are comprised of the following:

General government - notes payable

\$1,250,000 note payable to City of Gulf Breeze, Florida Local Government Loan Program - due in 20 annual principal payments ranging from \$30,000 in 1989 to \$115,000 in 2008 - interest due semi-annually at fixed rates of 7.10% and 7.75% through 1998 and 7.75% thereafter. \$ 845,000

\$155,000 Third Cent Tourist Development Tax Revenue Tax Anticipation Note - due in 120 monthly payments of \$1,633 - interest due monthly at a fixed rate of 4.9%.
The note is secured by Third Cent Tourist Development Tax Revenues. 121,022

\$39,920 note payable to bank with a fixed rate of 8% for the Santa Rosa Clean Community System, Inc. (SRCCS) - due in 59 monthly payments of \$400 beginning October 10, 1996 with a final balloon payment of \$30,681 on September 10, 2001. The note is secured by a lien on the SRCCS property. Although this note is signed between the SRCCS and the bank, the obligation is recorded in the General Long-term Debt Account Group of Santa Rosa County as the County committed to funding this note at \$5,000 per year for fifteen years. 30,023

\$1,414,000 note payable to bank for construction of a recreation facility in District 5 - due in 33 quarterly payments of \$50,000 including interest at 3.86%, beginning May 15, 1999. The note is secured by 8% of franchise fees to be collected from the Escambia River Electric Cooperative and Gulf Power. 1,314,000

\$1,000,000 note payable to bank for construction of a recreation facility in District 2 - due in 24 quarterly payments of \$41,667 plus interest at 4.54%, beginning August 15, 1998. The note is secured by 8% of franchise fees to be collected from the Escambia River Electric Cooperative and Gulf Power. 791,666

\$1,250,000 note payable to bank for construction of a recreation facility in District 4 - due in 30 quarterly payments ranging from \$34,600 - \$49,6000 plus interest at 4.93%, beginning November 15, 2000. The note is secured by 8% of franchise fees to be collected from the Escambia River Electric Cooperative and Gulf Power. 1,250,000

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE F- LONG-TERM DEBT -- CONTINUED

2. Descriptions of Bonds and Notes (Continued)

\$289,800 special assessment note payable to bank for capital improvements at Fox Den Village Subdivision - due in 10 annual payments of \$49,185 including interest at 10.98%, beginning June 1, 1992. Annual assessments are made against property owners in amounts sufficient to retire the maturing principal and interest. All assessments were collected by year end. 44,750

\$382,000 special assessment note payable to bank for capital improvements at Navarre Beach and Woodlore Subdivisions - due in monthly payments of \$3,914 including interest at 5.7% for 60 months, at which time the remaining principal balance shall be due. Annual assessments are made against property owners in amounts sufficient to retire the maturing principal and interest. As of September 30, 1999, substantially all assessments were collected. The Board covenants to pay sufficient funds to cure any deficiencies in pledged revenues available for payment of the note. 198,904

\$250,000 special assessment note payable to bank for the construction of certain improvements to the Navarre Beach Fire Station and the purchase of certain fire equipment. Principal is due in 10 annual payments of \$25,000 with interest payable quarterly in arrears at 5.98%. Annual assessments are made against property owners in amounts sufficient to retire the maturing principal and interest. All assessments were collected by year end. 150,000

\$200,000 special assessment note payable to bank for construction of the Stanford Road water and sewer collection system. The principal is due in 10 annual payments from \$13,560 to \$48,746 beginning March 15, 1997 and interest is payable in arrears in quarterly payments at an annual rate of 5.28%. Annual assessments are made against property owners in amounts sufficient to retire the maturing principal and interest. 157,134

\$310,000 special assessment note payable to bank for the construction of the Wes Vic water and sewer collection system. The principal is due in 10 annual payments of \$31,000 beginning February 1, 1998 with interest due quarterly in arrears at 5.5%. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 248,000

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE F- LONG-TERM DEBT -- CONTINUED

2. Descriptions of Bonds and Notes (Continued)

General government - bonds payable

\$8,625,000 Capital Improvement Revenue Bonds, Series 1991- 4.5 - 6.6% serial bonds due in annual installments of \$175,000 to \$345,000 from 1992 through 2006; 6.5% term bonds of \$2,610,000 due 2012; 6.375% term bonds of \$1,105,000 due 2014; and 6.6% term bonds of \$1,260,000 due in 2016. Bonds are allocated 50% to general long-term debt account group and 50% to Landfill Fund. 3,510,000

Total general government bonds and notes payable \$ 8,660,500

Proprietary fund type - bonds payable

Enterprise Fund - Landfill

\$8,625,000 Capital Improvement Revenue Bonds, Series 1991- 4.5 - 6.6% serial bonds due in annual installments of \$175,000 to \$345,000 from 1992 through 2006; 6.5% term bonds of \$2,610,000 due 2012; 6.375% term bonds of \$1,105,000 due 2014; and 6.6% term bonds of \$1,260,000 due in 2016. Bonds are allocated 50% to general long-term debt account group and 50% to Landfill Fund. \$ 3,510,000

Enterprise Fund - Navarre Beach

\$3,050,000 Water and Sewer Refunding Revenue Bonds, Series 1998 – 4.39% to 4.41% serial bonds due in quarterly installments of \$126,250 through May 2003 and \$26,250 thereafter through May 2008. 2,418,750

Total proprietary fund type bonds payable \$ 5,928,750

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE F- LONG-TERM DEBT -- CONTINUED

3. Debt Service Requirements

The annual requirements to amortize all bonds and notes outstanding at September 30, 1999 including interest payments of \$6,147,273 are as follows:

Year Ending September 30,	Bonds		Notes		Total
	General Government	Proprietary	General Government	Special Assessments	
2000	\$ 346,651	\$ 949,980	\$ 737,506	\$ 197,690	\$ 2,231,827
2001	347,046	927,923	740,498	145,270	2,160,737
2002	344,376	903,063	732,777	142,037	2,122,253
2003	346,276	782,772	724,665	138,800	1,992,513
2004	344,931	470,248	674,506	119,905	1,609,590
After 2005	<u>4,153,595</u>	<u>4,582,096</u>	<u>1,683,121</u>	<u>200,791</u>	<u>10,619,603</u>
	<u>\$ 5,882,875</u>	<u>\$ 8,616,082</u>	<u>\$ 5,293,073</u>	<u>\$ 944,493</u>	<u>\$20,736,523</u>

4. Defeased Debt Outstanding

In prior years, the Board defeased certain bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the Board's financial statements. At September 30, 1999, \$3.095 million of bonds are considered defeased.

NOTE G - CONDUIT DEBT OBLIGATIONS

From time to time, Santa Rosa County has issued Industrial Development Revenue Bonds, under the provisions of Chapter 159, Part II, Florida Statutes, to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the County, the State nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE G - CONDUIT DEBT OBLIGATIONS -- CONTINUED

Governmental Accounting Standards Board Interpretation No. 2 requires disclosure of the aggregate principal amount of conduit debt outstanding. If the aggregate amount outstanding is not determinable or reasonably estimable the original issue amount should be disclosed. The County has not completed determination of these amounts.

NOTE H - OPERATING LEASES

The County has entered into various lease agreements for office space.

The minimum rental commitments under the operating leases are as follows:

2000	\$ 44,000
2001	--
2002	--
2003	--
2004 and thereafter	<u>--</u>
Total minimum payments required	<u>\$ 44,000</u>

Rental expense for office space for the year ended September 30, 1999 was \$129,043.

NOTE I - DEFERRED REVENUE

The Board has lease receivables outstanding on undeveloped properties. Amounts totaling \$15,718 were recorded as deferred revenue at year end.

The Board is lessor for direct financing leases for buildings in the County's Industrial Park. Minimum lease payments to be received are as follows:

1999	\$ 726,309
Less deferred revenue	<u>(726,309)</u>
Net investment in lease	<u>\$ --</u>

Deferred revenues from advanced billings on Navarre Beach Leases totaled \$46,378.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE J - INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivables and payables at September 30, 1999, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Gas and Oil	\$ 659,873
General	Disaster Fund	96,349
General	MSBU'S	11,667
General	Capital Projects - Jail	98,347
General	Peter Prince Field	9,722
General	Industrial Park	81
General	Self Insurance	30,000
General	Insurance Clearing	15,846
General	Flex Benefits	5,000
Fine and Forfeiture	Drug Enforcement	3,788
Electricity Franchise Fee	General	20,000
MSBU's	General	82,000
District 5 Project	Other Capital Projects	70,557
Self Insurance	Fine and Forfeiture	188,382
		<u>\$ 1,291,612</u>

Individual fund interfund advances at September 30, 1999, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Munson Fire Dept. MSBU	<u>\$ 11,667</u>

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE K - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the County to place a final cover on its landfill sites when the County stops accepting waste and to perform certain maintenance and monitoring functions at sites for thirty years after closure. Although closure and postclosure care costs are paid only near or after the date that a landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$6.4 million reported as landfill closure and postclosure care liability (current and noncurrent) at September 30, 1999, represents the cumulative amount reported to date based on the following percentage usage of the estimated capacity of each of the County's landfills:

Central Class I Landfill	34%
Central Class III Landfill	Closed 10/98
Holley Landfill	Closed 06/94
Northwest Landfill	Closed 02/91

The remaining estimated cost of closure and postclosure care for the Central Class III, Holley and Northwest landfills have been recognized in prior years with any changes in estimates being recorded in the current year, since these landfills were filled to capacity prior to or during 1999. The County will recognize the remaining estimated cost of closure and postclosure care for the Central Class I landfill in the amount of \$4.4 million as its remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 1999. The estimated remaining life of the Central Class I Landfill is 20 years. Cost of closure and life estimates are based on the areas currently in use, and not on potential areas of expansion. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. At September 30, 1999, the County held investments of \$979,590 to cover the escrow requirement of \$789,149. These investments are reported as restricted assets on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these restricted investments and from charges to future landfill users or future tax revenue.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE L - COMMITMENTS AND CONTINGENCIES

1. Retirement Plan

Participation - Employees of the Board participate in the Florida Retirement System, a cost-sharing multiple-employer retirement system, established by Chapter 121, Florida Statutes. Participation is compulsory for full-time and part-time employees working in regularly established positions. Elected officials may elect not to participate in the system. Eligible employees may elect to participate in the Deferred Retirement Option Program (DROP), deferring receipt of retirement benefits while continuing employment with a Florida Retirement System employer.

Contributions - Chapter 121 requires the employer to pay all contributions (employee noncontributory) based upon state-wide rates established by the State of Florida. During 1999, the Board contributed an average of 14.88 percent of each qualified regular employee's gross salary, 25.45 percent of the elected official's salary, 24.28 percent of each special risk employee's salary, and 12.5% for each DROP participant. The contributions, funded on a pay-as-you-go basis, were equal to the actuarially determined contribution requirements for each year and totaled \$1,287,513, \$1,364,742, and \$1,229,096 for the years ended September 30, 1999, 1998, and 1997, respectively.

Benefit Provisions - The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The FRS provides for vesting of benefits after 10 years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with 10 or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age. Early retirement is available after 10 years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings. For DROP participants, the deferred monthly benefit plus interest compounded monthly, accrues for the specified period of the DROP participation. Upon retirement, the participant receives the total accumulated DROP benefits and begins to receive current benefits at the previously determined rate.

Financial Report of the Plan - The Florida Retirement System issues a stand-alone financial report. A copy can be obtained by contacting the State of Florida, Division of Retirement, Tallahassee, Florida.

2. Litigation

The Board is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Board's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the Board.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE L - COMMITMENTS AND CONTINGENCIES -- CONTINUED

3. Federal and State Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time although the Board expects such amounts, if any, to be immaterial.

NOTE M - RESERVES AND DESIGNATIONS

The following is a list of reserves used by the Board:

Reserved for Inventory - The General fund and Road and Bridge fund have \$30,487 and \$249,701 respectively, reserved for inventory to indicate that inventory does not represent available spendable resources even though it is a component of assets.

Reserved for Communications - The General fund has \$320,422 reserved for the enhancement of Emergency Medical Services and law enforcement communications.

Reserved for Animal Services Education - The General fund has \$13,196 reserved for use in educating the public on spaying and neutering.

Reserved for Law Enforcement Education - The Fine and Forfeiture fund has \$37,613 reserved for law enforcement education and training purposes.

Reserved for Forfeited Property - The Fine and Forfeiture fund has \$11,659 reserved for assets to be used for appropriation to the Sheriff primarily to defray costs of protracted or complex investigations, to provide technical equipment, or to provide matching funds to obtain federal grants.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE M - RESERVES AND DESIGNATIONS -- CONTINUED

Reserved for Boating Improvements - The General fund has \$119,354 of moneys received from the Marine Resources Conservation Trust Fund reserved for recreational channel marking, public launching facilities and other boating-related activities.

Reserved for Tourist Development - The Local Option Tourist Tax fund has reserved \$311,142 for tourist development activities.

Reserved for Gas and Oil Preservation - The Gas and Oil fund has reserved \$5,395,842 to indicate that assets of the gas and oil preservation fund are restricted and do not represent available, spendable resources, except in emergency situations.

Reserved for Debt Service - The Debt Service fund has \$157,633 reserved for debt service resources legally restricted to the payment of long-term debt principal and interest amounts maturing in future years.

Reserved for Construction - The Capital Projects funds have \$3,113,793 reserved for construction commitments.

Reserved for Bond Indenture - The Navarre Beach fund has reserved \$25,533 for renewal and replacement of the water and sewer system.

Reserved for Advance Receivable - The General fund has reserved \$11,667 to indicate that assets of the fund relating to long term advances to the Munson Fire District MSBU are not available spendable resources.

NOTE N - PROPERTY TAXES - REVENUE RECOGNITION

Property taxes levied on property valuations as of January 1, 1999, and expected to be collected during the period November 1999 through March 2000 are as follows:

General Fund	\$ 7,945,720
Road and Bridge Fund	\$ 2,708,760
Fine and Forfeiture Fund	\$14,526,200

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE N - PROPERTY TAXES - REVENUE RECOGNITION -- CONTINUED

These taxes, although measurable, are not recognized as revenue at September 30, 1999, since they are not considered to be collectible within the current period or soon enough thereafter to be used to pay current period liabilities.

NOTE O - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Board maintains four enterprise funds consisting of water, sewer and lease operations of Navarre Beach, solid waste disposal operations of the Landfill Fund, hanger facilities at Peter Prince Field and the Industrial Park. Segment information for the year ended September 30, 1999, is as follows:

	<u>Navarre Beach</u>	<u>Landfill</u>	<u>Peter Prince Field</u>	<u>Industrial Park</u>
Operating revenues	\$ 3,351,029	\$ 2,064,503	\$ 148,617	\$ 61,658
Depreciation and amortization expense	236,495	298,387	161,175	--
Operating income (loss)	2,443,948	1,730,374	(37,881)	48,898
Interest income	158,704	108,581	11,016	95,682
Interest expense	118,769	229,001	--	--
Intergovernmental revenues –				
Grants	--	76,678	--	--
Operating transfers in	--	--	--	--
Operating transfers out	--	--	--	--
Net income	2,454,324	1,650,485	(26,865)	249,080
Property, plant and equipment:				
Additions	815,159	1,031,312	--	--
Deletions	--	--	--	--
Net working capital	3,915,574	1,130,621	270,896	488,945
Total assets	7,939,251	6,359,072	2,481,028	2,831,885
Bonds and other				
long term liabilities	2,418,750	9,775,777	--	--
Retained earnings				
(accumulated deficit)	2,959,055	(6,782,587)	(51,454)	277,546
Contributed capital	2,361,764	2,867,648	2,521,865	1,726,818
Total equity (deficit)	5,320,819	(3,914,939)	2,470,411	2,004,364

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE P - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1986 the County established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program the County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- General Liability, \$100,000 deductible
- Construction and Road Equipment
- Portable Communication Equipment
- Boats
- Employee Fidelity
- Public Officials' Liability, \$100,000 deductible

Conventional insurance remains in effect for buildings, contents and Sheriff's general and professional liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Board of County Commissioners and other County elected officials participate in the program and make payments to the Self-Insurance Fund based on historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses. At September 30, 1999, the Self Insurance fund has a deficit fund balance of \$230,600. Therefore, no reserve or designation of fund balance is reported. The claims liability of \$2,437,471 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Liabilities for incurred losses to be settled by fixed or reasonably determined payments over a long period of time are reported at their present value using an expected future investment yield assumption of 8 percent. These liabilities are reported at their present value of \$548,450 at September 30, 1999. Changes in the Fund's claims liability amount in fiscal years 1998 and 1999 were as follows:

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE P - RISK MANAGEMENT -- CONTINUED

	<u>Beginning-of- Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
1997 - 1998	\$ 2,047,688	\$ 661,157	\$ 710,278	\$ 1,998,567
1998 - 1999	\$ 1,998,567	\$ 2,136,051	\$ 1,697,147	\$ 2,437,471

The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public officials' liability coverage, excluding the Sheriff. The County pays an annual premium as a participant of the pooled liability program. During 1994, the first year of participation, the County paid an extraordinary loss fund payment of \$249,886. The liability coverage is not designed to be assessable; however, should the pool fail to meet its obligations, the County may be required to contribute additional funds or cover its own obligations. No accrual for future assessments has been recorded in the balance sheet as such assessments do not appear probable based on past experience of the pool, and experience of the pool subsequent to the County's fiscal year end through the date of these financial statements. In the event the County elected to terminate its participation in the pool, the extraordinary loss fund payment would be refunded to the County, given adequate funding of the pool.

NOTE Q - COMPLIANCE AND ACCOUNTABILITY

Accumulated Deficits

The following funds had deficits at year end in fund balance/retained earnings.

Proprietary Fund Types – Enterprise Funds

Landfill Fund - The deficit in this fund results from the cumulative effect of the following:

Adoption of GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs", which requires recognition of costs of closure and postclosure maintenance over the active life of each landfill area, based on landfill capacity used during the period.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE Q - COMPLIANCE AND ACCOUNTABILITY -- CONTINUED

Depreciation charged against operations.

Loss on bond refunding of \$443,769 in 1992.

Transfer of working capital to other funds.

Debt covenants require that rates be adjusted periodically to insure sufficient revenues are generated to meet operational and debt service needs.

Peter Prince Field Fund – The deficit in this fund results from the cumulative effect of depreciation being charged against operations.

Proprietary Fund Types – Internal Service Funds

Self-Insurance Fund – The deficit in this fund relates primarily to increases in the estimated claims liability for workers compensation claims and expenses incurred in 1999 related to amounts paid by the County for excess employee health claims. The County believes it is entitled to reimbursement from a third party provider for these excess claims and is considering litigation to secure such reimbursement. If reimbursements are not adequate to eliminate the deficit, the County may have to increase charges to participants in the Self-Insurance program or make contributions from other sources of funds.

Expenditures in Excess of Appropriations

The following funds had expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Local Option Tourist Tax	\$316,000	\$323,674	\$7,674
Fire District MSBU	\$1,001,490	\$1,006,762	\$5,272
Crescent III Lighting MSBU	\$440	\$487	\$47
Perch Street Paving	\$4,075	\$4,090	\$15

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE R - POST RETIREMENT HEALTH CARE BENEFITS

In 1994, the Board established a Health Insurance Subsidy program for current and future retirees. Eligibility is limited to any person who retires with ten years of creditable service (eight years for elected service) and is qualified under the State of Florida Retirement System. The subsidy is calculated by multiplying the total years of Florida Retirement System creditable service by \$2 with a maximum of thirty years. No one receives less than \$16 per month nor more than \$60 per month. This subsidy is recognized by the Board on a pay-as-you-go basis. The Board recognized \$15,492 in health insurance subsidies for retirees during the fiscal year ended September 30, 1999. The Board cannot feasibly determine the number of persons eligible to receive this benefit. There are currently thirty-nine retirees participating in the program.

**Santa Rosa County, Florida
Board of County Commissioners**

YEAR 2000 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

September 30, 1999

The Year 2000 issue is the result of shortcomings in many electronic data-processing systems and other equipment that may adversely affect operations in the year 1999 and beyond. If computers and other electronic equipment with these shortcomings are not corrected, problems affecting a wide range of governmental activities will likely result. These problems have the potential to disrupt governmental operations and temporarily increase the costs of those operations.

The Year 2000 issue affects the Board of County Commissioners primarily in the area of accounting over operational and administrative functions. The Board of County Commissioners is currently in the testing / validation stage of addressing the Year 2000 issue. At September 30, 1999, the Board of County Commissioners had no significant contractual commitments with respect to its Year 2000 program.

To the best of management's knowledge and belief, as of January 25, 2000, the government has not experienced any significant interruption of mission critical operations or services related to the Year 2000 issue. However, because of the unprecedented nature of the Year 2000 issue, matters may yet arise, and parties with whom the County does business may also experience Year 2000 readiness issues that are as yet, unknown.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Road and Bridge Fund - accounts for various tax assessments and other revenues designated to be used for the maintenance of the county's roads and bridges.

Fine and Forfeiture Fund - accounts for income from fines and forfeitures and various other assessments used for law enforcement purposes.

Gas and Oil Preservation Fund - accounts for assets accumulated from prior years attributable to non-recurring gas and oil tax revenues.

State Matching Program Fund - accounts for state and local funding used for mosquito and other arthropod control.

Enhanced 911 Telephone System Fund - accounts for funds used to maintain the 911 telephone system.

Drug Enforcement Grant Fund - accounts for federal grant funds passed through the state under the Anti-Drug Abuse Act of 1988. These funds are used to provide additional personnel, equipment, facilities, training, and supplies for apprehension, prosecution and adjudication of persons who violate state and local laws relating to controlled substances.

State Housing Initiative Partnership Fund - accounts for state funds received to provide housing assistance to low and middle income families.

Local Option Tourist Tax Fund - accounts for tax revenues to be used for tourist development activities.

Highway 87 Sewer Project – accounts for federal grant funds passed through the state as a Community Development Block Grant for specified construction projects.

Electricity Franchise Fee – accounts for revenues restricted though debt covenants.

Municipal Service Benefits Units (MSBUs) - accounts for special assessments levied against property owners for capital improvements or services rendered for benefit of the affected areas.

Disaster Fund – accounts for funds received to provide disaster relief after hurricanes and other disasters.

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS**

September 30, 1999

	Road and Bridge	Fine and Forfeiture	Gas and Oil Preservation	State Matching Program	Enhanced 911 Telephone System	Drug Enforcement Grant	State Housing Initiative Partnership
ASSETS							
Cash and cash equivalents	\$ 107,726	\$ 84,270	\$ 76,537	\$ 34,353	\$ 30,605	\$ 38,669	\$ 531,180
Investments	5,624,208	771,128	5,979,178	82,088	--	4,779	830,776
Accounts receivable, net of uncollectibles	782	1,551	--	--	31,146	--	--
Due from other governments	849,369	2,289,801	--	--	--	56,680	52,939
Due from other funds	--	3,788	--	--	--	--	--
Inventory	249,701	--	--	--	--	--	--
Total assets	<u>\$6,831,786</u>	<u>\$3,150,538</u>	<u>\$ 6,055,715</u>	<u>\$ 116,441</u>	<u>\$ 61,751</u>	<u>\$ 100,128</u>	<u>\$1,414,895</u>
LIABILITIES							
Accounts payable	\$ 189,741	\$ 51,375	\$ --	\$ --	\$ 17,712	\$ 12,380	\$ 14,538
Accrued compensation	116,114	21,154	--	--	2,905	--	--
Due to other funds	--	188,382	659,873	--	--	3,788	--
Advance payable to other funds	--	--	--	--	--	--	--
Total liabilities	<u>305,855</u>	<u>260,911</u>	<u>659,873</u>	<u>--</u>	<u>20,617</u>	<u>16,168</u>	<u>14,538</u>
FUND EQUITY							
Fund balances							
Reserved for forfeited property	--	37,613	--	--	--	--	--
Reserved for law enforcement education	--	11,659	--	--	--	--	--
Reserved for gas and oil preservation	--	--	5,395,842	--	--	--	--
Reserved for inventory	249,701	--	--	--	--	--	--
Reserved for tourist development	--	--	--	--	--	--	--
Unreserved	6,276,230	2,840,355	--	116,441	41,134	83,960	1,400,357
Total fund balances	<u>6,525,931</u>	<u>2,889,627</u>	<u>5,395,842</u>	<u>116,441</u>	<u>41,134</u>	<u>83,960</u>	<u>1,400,357</u>
Total liabilities and fund equity	<u>\$6,831,786</u>	<u>\$3,150,538</u>	<u>\$ 6,055,715</u>	<u>\$ 116,441</u>	<u>\$ 61,751</u>	<u>\$ 100,128</u>	<u>\$1,414,895</u>

Continued ...

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - CONTINUED**

September 30, 1999

	Local Option Tourist Tax	Highway 87 Sewer Project	Electricity Franchise Fee	MSBUs	Disaster Fund	Totals
ASSETS						
Cash and cash equivalents	\$ 54,552	\$ --	\$ 283,631	\$ 288,650	\$ --	\$ 1,530,173
Investments	190,240	--	5,736,808	201,466	408,765	19,829,436
Accounts receivable, net of uncollectible	34	--	223,030	18,113	--	274,656
Due from other governments	72,098	96,679	--	126,000	344,393	3,887,959
Due from other funds	--	--	20,000	82,000	--	105,788
Inventory	--	--	--	--	--	249,701
Total assets	<u>\$ 316,924</u>	<u>\$ 96,679</u>	<u>\$6,263,469</u>	<u>\$ 716,229</u>	<u>\$ 753,158</u>	<u>\$25,877,713</u>
LIABILITIES						
Accounts payable	\$ 5,782	\$ 92,610	\$ --	\$ 101,670	\$ 143,693	\$ 629,501
Accrued compensation	--	--	--	--	--	140,173
Due to other funds	--	--	--	11,667	96,349	960,059
Advance payable to other funds	--	--	--	11,667	--	11,667
Total liabilities	<u>5,782</u>	<u>92,610</u>	<u>--</u>	<u>125,004</u>	<u>240,042</u>	<u>1,741,400</u>
FUND EQUITY						
Fund balances						
Reserved for forfeited property	--	--	--	--	--	37,613
Reserved for law enforcement education	--	--	--	--	--	11,659
Reserved for gas and oil preservation	--	--	--	--	--	5,395,842
Reserved for inventory	--	--	--	--	--	249,701
Reserved for tourist development	311,142	--	--	--	--	311,142
Unreserved		4,069	6,263,469	591,225	513,116	18,130,356
Total fund balances	<u>311,142</u>	<u>4,069</u>	<u>6,263,469</u>	<u>591,225</u>	<u>513,116</u>	<u>24,136,313</u>
Total liabilities and fund equity	<u>\$ 316,924</u>	<u>\$ 96,679</u>	<u>\$6,263,469</u>	<u>\$ 716,229</u>	<u>\$ 753,158</u>	<u>\$25,877,713</u>

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS**

Year ended September 30, 1999

	Road and Bridge	Fine and Forfeiture	Gas and Oil Preservation	State Matching Program	Enhanced 911 Telephone System	Drug Enforcement Grant	State Housing Initiative Partnership
Revenues							
Taxes	\$ 5,700,619	\$ 13,167,147	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	2,517,116	95,794	--	37,107	--	96,018	1,104,390
Charges for services	--	3,124,675	--	--	362,034	--	--
Fines and forfeits	--	1,494,080	--	--	--	--	--
Miscellaneous	552,468	250,933	233,284	4,807	1,284	2,188	29,589
Total revenues	8,770,203	18,132,629	233,284	41,914	363,318	98,206	1,133,979
Expenditures							
Current							
General government	--	1,922,152	--	--	--	--	--
Public safety	244,880	16,409,712	--	--	318,829	157,352	--
Physical environment	--	--	--	--	--	--	--
Transportation	8,441,684	--	--	--	--	--	--
Economic environment	--	--	--	--	--	--	647,585
Human services	--	--	--	17,368	--	--	--
Culture and recreation	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Total expenditures	8,686,564	18,331,864	--	17,368	318,829	157,352	647,585
Excess (deficiency) of revenues over expenditures	83,639	(199,235)	233,284	24,546	44,489	(59,146)	486,394
Other financing sources (uses)							
Operating transfers in	65,988	--	--	--	--	35,639	--
Operating transfers out	(112,353)	(35,639)	(294,500)	--	--	--	--
Total other financing sources (uses)	(46,365)	(35,639)	(294,500)	--	--	35,639	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	37,274	(234,874)	(61,216)	24,546	44,489	(23,507)	486,394
Fund balance, beginning of year	6,602,918	3,124,501	5,457,058	91,895	(3,355)	107,467	913,963
Change in reserve for inventory	(114,261)	--	--	--	--	--	--
Fund balance, end of year	\$ 6,525,931	\$ 2,889,627	\$ 5,395,842	\$ 116,441	\$ 41,134	\$ 83,960	\$ 1,400,357

Continued ...

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - CONTINUED**

Year ended September 30, 1999

	Local Option Tourist Tax	Highway 87 Sewer Project	Electricity Franchise Fee	MSBUs	Disaster Fund	Totals
Revenues						
Taxes	\$ 379,783	\$ --	\$ 2,813,736	\$ 1,411,507	\$ --	\$23,472,792
Intergovernmental	--	100,748	--	126,000	940,900	5,018,073
Charges for services	--	--	--	--	--	3,486,709
Fines and forfeits	--	--	--	--	--	1,494,080
Miscellaneous	10,674	--	291,979	87,562	5,895	1,470,663
Total revenues	390,457	100,748	3,105,715	1,625,069	946,795	34,942,317
Expenditures						
Current						
General government	--	--	--	--	--	1,922,152
Public safety	--	--	--	971,557	563,508	18,665,838
Physical environment	--	--	--	283,751	--	283,751
Transportation	--	--	--	266,179	--	8,707,863
Economic environment	304,109	--	--	--	--	951,694
Human services	--	--	--	--	--	17,368
Culture and recreation	--	--	--	395,855	--	395,855
Capital outlay	--	96,679	--	--	--	96,679
Total expenditures	304,109	96,679	--	1,917,342	563,508	31,041,200
Excess (deficiency) of revenues over expenditures	86,348	4,069	3,105,715	(292,273)	383,287	3,901,117
Other financing sources (uses)						
Operating transfers in	--	--	--	367,573	129,829	599,029
Operating transfers out	(19,565)	--	(2,061,054)	(319,318)	--	(2,842,429)
Total other financing sources (uses)	(19,565)	--	(2,061,054)	48,255	129,829	(2,243,400)
Excess (deficiency) of revenues and other sources over expenditures and other uses	66,783	4,069	1,044,661	(244,018)	513,116	1,657,717
Fund balance, beginning of year	244,359	--	5,218,808	835,243	--	22,592,857
Change in reserve for inventory	--	--	--	--	--	(114,261)
Fund balance, end of year	\$ 311,142	\$ 4,069	\$ 6,263,469	\$ 591,225	\$ 513,116	\$24,136,313

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS**

Year ended September 30, 1999

	Road and Bridge Fund			Fine and Forfeiture Fund			Gas and Oil Preservation Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Taxes	\$ 5,433,380	\$5,700,619	\$ 267,239	\$12,930,290	\$13,167,147	\$ 236,857	\$ --	\$ --	\$ --
Intergovernmental	3,062,455	2,517,116	(545,339)	1,058,675	95,794	(962,881)	--	--	--
Charges for services	150,312	--	(150,312)	1,265,719	3,124,675	1,858,956	--	--	--
Fines and forfeits	--	--	--	891,910	1,494,080	602,170	--	--	--
Miscellaneous	541,230	552,468	11,238	456,250	250,933	(205,317)	294,500	233,284	(61,216)
Total revenues	9,187,377	8,770,203	(417,174)	16,602,844	18,132,629	1,529,785	294,500	233,284	(61,216)
Expenditures									
Current									
General government	--	--	--	2,012,087	1,922,152	89,935	--	--	--
Public safety	1,223,258	244,880	978,378	16,719,899	16,409,712	310,187	--	--	--
Physical environment	--	--	--	--	--	--	--	--	--
Transportation	10,446,185	8,441,684	2,004,501	--	--	--	--	--	--
Economic environment	--	--	--	--	--	--	--	--	--
Human services	--	--	--	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--	--	--
Total expenditures	11,669,443	8,686,564	2,982,879	18,731,986	18,331,864	400,122	--	--	--
Excess (deficiency) of revenues over expenditures	(2,482,066)	83,639	2,565,705	(2,129,142)	(199,235)	1,929,907	294,500	233,284	(61,216)
Other financing sources (uses)									
Operating transfers in	66,326	65,988	(338)	--	--	--	--	--	--
Operating transfers out	(112,356)	(112,353)	3	(39,427)	(35,639)	3,788	(294,500)	(294,500)	--
Total other financing sources (uses)	(46,030)	(46,365)	(335)	(39,427)	(35,639)	3,788	(294,500)	(294,500)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,528,096)	37,274	2,565,370	(2,168,569)	(234,874)	1,933,695	--	(61,216)	(61,216)
Fund balance, beginning of year	2,815,251	6,602,918	3,787,667	2,279,320	3,124,501	845,181	--	5,457,058	5,457,058
Change in reserve for inventory	--	(114,261)	(114,261)	--	--	--	--	--	--
Fund balance, end of year	\$ 287,155	\$6,525,931	\$ 6,238,776	\$ 110,751	\$ 2,889,627	\$ 2,778,876	\$ --	\$ 5,395,842	\$5,395,842

Continued...

Santa Rosa County, Florida
Board of County Commissioners

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS

Year ended September 30, 1999

	State Matching Program			Enhanced 911 Telephone System			Drug Enforcement Grant		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Intergovernmental	\$ 19,810	\$ 37,107	\$ 17,297	\$ --	\$ --	\$ --	\$ 118,298	\$ 96,018	\$ (22,280)
Charges for services	--	--	--	347,700	362,034	14,334	--	--	--
Fines and forfeits	--	--	--	--	--	--	--	--	--
Miscellaneous	--	4,807	4,807	--	1,284	1,284	--	2,188	2,188
Total revenues	19,810	41,914	22,104	347,700	363,318	15,618	118,298	98,206	(20,092)
Expenditures									
Current									
General government	--	--	--	--	--	--	--	--	--
Public safety	--	--	--	347,700	318,829	28,871	157,725	157,352	373
Physical environment	--	--	--	--	--	--	--	--	--
Transportation	--	--	--	--	--	--	--	--	--
Economic environment	--	--	--	--	--	--	--	--	--
Human services	36,460	17,368	19,092	--	--	--	--	--	--
Culture/Recreation	--	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--	--	--
Total expenditures	36,460	17,368	19,092	347,700	318,829	28,871	157,725	157,352	373
Excess (deficiency) of revenues over expenditures	(16,650)	24,546	41,196	--	44,489	44,489	(39,427)	(59,146)	(19,719)
Other financing sources (uses)									
Operating transfers in	--	--	--	--	--	--	39,427	35,639	(3,788)
Operating transfers out	--	--	--	--	--	--	--	--	--
Total other financing sources (uses)	--	--	--	--	--	--	39,427	35,639	(3,788)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(16,650)	24,546	41,196	--	44,489	44,489	--	(23,507)	(23,507)
Fund balance, beginning of year	16,650	91,895	75,245	--	(3,355)	(3,355)	--	107,467	107,467
Change in reserve for inventory	--	--	--	--	--	--	--	--	--
Fund balance, end of year	\$ --	\$ 116,441	\$ 116,441	\$ --	\$ 41,134	\$ 41,134	\$ --	\$ 83,960	\$ 83,960

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS**

Year ended September 30, 1999

	State Housing Initiative Partnership			Local Option Tourist Tax			Highway 87		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Taxes	\$ --	\$ --	\$ --	\$ 209,000	\$ 379,783	\$ 170,783	\$ --	\$ --	\$ --
Intergovernmental	986,954	1,104,390	117,436	--	--	--	199,596	100,748	(98,848)
Charges for services	--	--	--	--	--	--	--	--	--
Fines and forfeits	--	--	--	--	--	--	--	--	--
Miscellaneous	--	29,589	29,589	--	10,674	10,674	--	--	--
Total revenues	986,954	1,133,979	147,025	209,000	390,457	181,457	199,596	100,748	(98,848)
Expenditures									
Current									
General government	--	--	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--	--	--
Physical environment	--	--	--	--	--	--	--	--	--
Transportation	--	--	--	--	--	--	--	--	--
Economic environment	986,954	647,585	339,369	296,435	304,109	(7,674)	--	--	--
Human services	--	--	--	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	199,596	96,679	102,917
Total expenditures	986,954	647,585	339,369	296,435	304,109	(7,674)	199,596	96,679	102,917
Excess (deficiency) of revenues over expenditures	--	486,394	486,394	(87,435)	86,348	173,783	--	4,069	4,069
Other financing sources (uses)									
Operating transfers in	--	--	--	--	--	--	--	--	--
Operating transfers out	--	--	--	(19,565)	(19,565)	--	--	--	--
Total other financing sources (uses)	--	--	--	(19,565)	(19,565)	--	--	--	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	486,394	486,394	(107,000)	66,783	173,783	--	4,069	4,069
Fund balance, beginning of year	--	913,963	913,963	107,000	244,359	137,359	--	--	--
Change in reserve for inventory	--	--	--	--	--	--	--	--	--
Fund balance, end of year	\$ --	\$ 1,400,357	\$ 1,400,357	\$ --	\$ 311,142	\$ 311,142	\$ --	\$ 4,069	\$ 4,069

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS**

Year ended September 30, 1999

	Electricity Franchise Fee			MSBUs		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$ 2,375,000	\$ 2,813,736	\$ 438,736	\$ 1,368,850	\$ 1,411,507	\$ 42,657
Intergovernmental	--	--	--	420,000	126,000	(294,000)
Charges for services	--	--	--	--	--	--
Fines and forfeits	--	--	--	--	--	--
Miscellaneous	161,101	291,979	130,878	15,570	87,562	71,992
Total revenues	<u>2,536,101</u>	<u>3,105,715</u>	<u>569,614</u>	<u>1,804,420</u>	<u>1,625,069</u>	<u>(179,351)</u>
Expenditures						
Current						
General government	--	--	--	--	--	--
Public safety	--	--	--	966,285	971,557	(5,272)
Physical environment	--	--	--	368,504	283,751	84,753
Transportation	--	--	--	426,137	266,179	159,958
Economic environment	--	--	--	--	--	--
Human services	--	--	--	--	--	--
Culture and recreation	--	--	--	809,539	395,855	413,684
Capital outlay	--	--	--	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,570,465</u>	<u>1,917,342</u>	<u>653,123</u>
Excess (deficiency) of revenues over expenditures	<u>2,536,101</u>	<u>3,105,715</u>	<u>569,614</u>	<u>(766,045)</u>	<u>(292,273)</u>	<u>473,772</u>
Other financing sources (uses)						
Operating transfers in	--	--	--	367,576	367,573	(3)
Operating transfers out	(2,118,023)	(2,061,054)	56,969	(321,086)	(319,318)	1,768
Total other financing sources (uses)	<u>(2,118,023)</u>	<u>(2,061,054)</u>	<u>56,969</u>	<u>46,490</u>	<u>48,255</u>	<u>1,765</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	418,078	1,044,661	626,583	(719,555)	(244,018)	475,537
Fund balance, beginning of year	5,253,843	5,218,808	(35,035)	719,555	835,243	115,688
Change in reserve for inventory	--	--	--	--	--	--
Fund balance, end of year	<u>\$ 5,671,921</u>	<u>\$ 6,263,469</u>	<u>\$ 591,548</u>	<u>\$ --</u>	<u>\$ 591,225</u>	<u>\$ 591,225</u>

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS**

Year ended September 30, 1999

	Disaster Fund			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ 22,316,520	\$ 23,472,792	\$ 1,156,272
Intergovernmental	908,799	940,900	32,101	6,774,587	5,018,073	(1,756,514)
Charges for services	--	--	--	1,763,731	3,486,709	1,722,978
Fines and forfeits	--	--	--	891,910	1,494,080	602,170
Miscellaneous	--	5,895	5,895	1,468,651	1,470,663	2,012
Total revenues	908,799	946,795	37,996	33,215,399	34,942,317	1,726,918
Expenditures						
Current						
General government	--	--	--	2,012,087	1,922,152	89,935
Public safety	1,038,628	563,508	475,120	20,453,495	18,665,838	1,787,657
Physical environment	--	--	--	368,504	283,751	84,753
Transportation	--	--	--	10,872,322	8,707,863	2,164,459
Economic environment	--	--	--	1,283,389	951,694	331,695
Human services	--	--	--	36,460	17,368	19,092
Culture and recreation	--	--	--	809,539	395,855	413,684
Capital outlay	--	--	--	199,596	96,679	102,917
Total expenditures	1,038,628	563,508	475,120	36,035,392	31,041,200	4,994,192
Excess (deficiency) of revenues over expenditures	(129,829)	383,287	513,116	(2,819,993)	3,901,117	6,721,110
Other financing sources (uses)						
Operating transfers in	129,829	129,829	--	603,158	599,029	(4,129)
Operating transfers out	--	--	--	(2,904,957)	(2,842,429)	62,528
Total other financing sources (uses)	129,829	129,829	--	(2,301,799)	(2,243,400)	58,399
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	513,116	513,116	(5,121,792)	1,657,717	6,779,509
Fund balance, beginning of year	--	--	--	11,191,619	22,592,857	11,401,238
Change in reserve for inventory	--	--	--	--	(114,261)	(114,261)
Fund balance, end of year	\$ --	\$ 513,116	\$ 513,116	\$ 6,069,827	\$ 24,136,313	\$ 18,066,486

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Jail Fund - accounts for construction relating to the new jail facility.

1999 District One Capital Projects Fund - accounts for the construction of sports and recreation facilities in District One.

1998 District Two Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Two.

1999 District Three Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Three.

1998 District Four Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Four.

1998 District Five Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Five.

All Other Fund - accounts for the purchase or construction of other capital facilities which are not financed by proprietary funds or trust funds.

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS**

September 30, 1999

ASSETS	Jail	District 1 Project	District 2 Project	District 3 Project
Cash and cash equivalents	\$ 9,730	\$ 22,715	\$ 715	\$ 18,421
Investments	88,617	332,973	936,702	313,014
Due from other governments	--	--	100,000	--
Due from other funds	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 98,347</u>	<u>\$ 355,688</u>	<u>\$1,037,417</u>	<u>\$ 331,435</u>
LIABILITIES				
Accounts payable	\$ --	\$ --	\$ 12,715	\$ --
Due to other funds	98,347	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>98,347</u>	<u>--</u>	<u>12,715</u>	<u>--</u>
FUND EQUITY				
Fund balances				
Reserved construction projects	--	355,688	1,024,702	331,435
Unreserved	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>--</u>	<u>355,688</u>	<u>1,024,702</u>	<u>331,435</u>
Total liabilities and fund equity	<u>\$ 98,347</u>	<u>\$ 355,688</u>	<u>\$1,037,417</u>	<u>\$ 331,435</u>

Continued ...

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS - CONTINUED**

September 30, 1999

ASSETS	District 4 Project	District 5 Project	All other	Totals
Cash and cash equivalents	\$ 740,389	\$ 26,066	\$ 22,920	\$ 840,956
Investments	108,428	508,528	5,528,808	7,817,070
Due from other governments	--	--	--	100,000
Due from other funds	--	70,557	--	70,557
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 848,817</u>	<u>\$ 605,151</u>	<u>\$5,551,728</u>	<u>\$ 8,828,583</u>
LIABILITIES				
Accounts payable	\$ 2,968	\$ 49,032	\$ 104,122	\$ 168,837
Due to other funds	--	--	70,557	168,904
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>2,968</u>	<u>49,032</u>	<u>174,679</u>	<u>337,741</u>
FUND EQUITY				
Fund balances				
Reserved construction projects	845,849	556,119	--	3,113,793
Unreserved	--	--	5,377,049	5,377,049
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>845,849</u>	<u>556,119</u>	<u>5,377,049</u>	<u>8,490,842</u>
Total liabilities and fund equity	<u>\$ 848,817</u>	<u>\$ 605,151</u>	<u>\$5,551,728</u>	<u>\$ 8,828,583</u>

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS**

Year ended September 30, 1999

	<u>Jail</u>	<u>District 1 Project</u>	<u>District 2 Project</u>	<u>District 3 Project</u>
Revenues				
Intergovernmental	\$ --	\$ --	\$ 100,000	\$ --
Miscellaneous	93,463	2,834	38,098	2,723
	<u>93,463</u>	<u>2,834</u>	<u>138,098</u>	<u>2,723</u>
Total revenues	<u>93,463</u>	<u>2,834</u>	<u>138,098</u>	<u>2,723</u>
Expenditures				
Public Safety	267,742	--	--	--
Capital outlay	--	--	189,590	--
Debt Service	--	--	--	--
	<u>267,742</u>	<u>--</u>	<u>189,590</u>	<u>--</u>
Total expenditures	<u>267,742</u>	<u>--</u>	<u>189,590</u>	<u>--</u>
Excess (deficiency) of revenues over expenditures	<u>(174,279)</u>	<u>2,834</u>	<u>(51,492)</u>	<u>2,723</u>
Other financing sources				
Operating transfers in	--	455,139	349,671	445,612
Operating transfers out	(1,993,295)	(102,285)	--	(116,900)
Note proceeds	--	--	--	--
	<u>(1,993,295)</u>	<u>352,854</u>	<u>349,671</u>	<u>328,712</u>
Total other financing sources	<u>(1,993,295)</u>	<u>352,854</u>	<u>349,671</u>	<u>328,712</u>
Excess of revenues and other sources over expenditures and other uses	<u>(2,167,574)</u>	<u>355,688</u>	<u>298,179</u>	<u>331,435</u>
Fund balance, beginning of year	<u>2,167,574</u>	<u>--</u>	<u>726,523</u>	<u>--</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ 355,688</u>	<u>\$ 1,024,702</u>	<u>\$ 331,435</u>

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS - CONTINUED**

Year ended September 30, 1999

	District 4 Project	District 5 Project	All other	Totals
Revenues				
Intergovernmental	\$ --	\$ --	\$ --	\$ 100,000
Miscellaneous	6,186	38,292	279,864	461,460
Total revenues	6,186	38,292	279,864	561,460
Expenditures				
Public Safety	--	--	--	267,742
Capital outlay	132,911	81,721	4,003,533	4,407,755
Debt Service	2,969	869,074	--	872,043
Total expenditures	135,880	950,795	4,003,533	5,547,540
Excess (deficiency) of revenues over expenditures	(129,694)	(912,503)	(3,723,669)	(4,986,080)
Other financing sources				
Operating transfers in	239,946	10,583	2,684,086	4,185,037
Operating transfers out	(526,666)	--	(246,839)	(2,985,985)
Note proceeds	1,250,000	1,414,000	--	2,664,000
Total other financing sources	963,280	1,424,583	2,437,247	3,863,052
Excess of revenues and other sources over expenditures and other uses	833,586	512,080	(1,286,422)	(1,123,028)
Fund balance, beginning of year	12,263	44,039	6,663,471	9,613,870
Fund balance, end of year	\$ 845,849	\$ 556,119	\$ 5,377,049	\$ 8,490,842

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS**

Year ended September 30, 1999

	Jail			District 1 Project			District 2 Project		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Intergovernmental	--	--	--	--	--	--	--	100,000	100,000
Miscellaneous	--	93,463	93,463	--	2,834	2,834	--	38,098	38,098
Total revenues	--	93,463	93,463	--	2,834	2,834	--	138,098	138,098
Expenditures									
Public Safety	267,742	267,742	-	--	--	--	--	--	--
Capital outlay	75,000	--	75,000	--	--	--	300,466	189,590	110,876
Debt service	--	--	-	--	--	--	--	--	--
Total expenditures	342,742	267,742	75,000	--	--	--	300,466	189,590	110,876
Excess (deficiency) of revenues over expenditures	(342,742)	(174,279)	168,463	--	2,834	2,834	(300,466)	(51,492)	248,974
Other financing sources (uses)									
Operating transfers in	--	--	--	455,139	455,139	--	349,671	349,671	--
Operating transfers out	(1,894,949)	(1,993,295)	(98,346)	(102,285)	(102,285)	--	--	--	--
Note proceeds	--	--	--	--	--	--	--	--	--
Total other financing sources (uses)	(1,894,949)	(1,993,295)	(98,346)	352,854	352,854	--	349,671	349,671	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,237,691)	(2,167,574)	70,117	352,854	355,688	2,834	49,205	298,179	248,974
Fund balance, beginning of year	2,237,691	2,167,574	(70,117)	--	--	--	726,523	726,523	--
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 352,854</u>	<u>\$ 355,688</u>	<u>\$ 2,834</u>	<u>\$ 775,728</u>	<u>\$ 1,024,702</u>	<u>\$ 248,974</u>

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS**

Year ended September 30, 1999

	District 3 Project			District 4 Project			District 5 Project		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Intergovernmental	--	--	--	--	--	--	--	--	--
Miscellaneous	--	2,723	2,723	--	6,186	6,186	--	38,292	38,292
Total revenues	--	2,723	2,723	--	6,186	6,186	--	38,292	38,292
Expenditures									
Public Safety	--	--	--	--	--	--	--	--	--
Capital outlay	--	--	--	191,166	132,911	58,255	596,416	81,721	514,695
Debt service	--	--	--	--	2,969	(2,969)	869,074	869,074	--
Total expenditures	--	--	--	191,166	135,880	55,286	1,465,490	950,795	514,695
Excess (deficiency) of revenues over expenditures	--	2,723	2,723	(191,166)	(129,694)	61,472	(1,465,490)	(912,503)	552,987
Other financing sources (uses)									
Operating transfers in	445,612	445,612	--	296,915	239,946	(56,969)	10,583	10,583	--
Operating transfers out	(116,900)	(116,900)	--	(526,666)	(526,666)	--	--	--	--
Note proceeds	--	--	--	1,250,000	1,250,000	--	1,414,000	1,414,000	--
Total other financing sources (uses)	328,712	328,712	--	1,020,249	963,280	(56,969)	1,424,583	1,424,583	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	328,712	331,435	2,723	829,083	833,586	4,503	(40,907)	512,080	552,987
Fund balance, beginning of year	--	--	--	33,457	12,263	(21,194)	40,907	44,039	3,132
Fund balance, end of year	<u>\$ 328,712</u>	<u>\$ 331,435</u>	<u>\$ 2,723</u>	<u>\$ 862,540</u>	<u>\$ 845,849</u>	<u>\$ (16,691)</u>	<u>\$ --</u>	<u>\$ 556,119</u>	<u>\$ 556,119</u>

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS**

Year Ended September 30, 1999

	All other			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	--	--	--	--	100,000	(100,000)
Miscellaneous	285,000	279,864	(5,136)	285,000	461,460	(176,460)
Total revenues	285,000	279,864	(5,136)	285,000	561,460	(276,460)
Expenditures						
Public Safety	--	--	--	267,742	267,742	--
Capital outlay	4,295,571	4,003,533	292,038	5,458,619	4,407,755	1,050,864
Debt service	--	--	--	869,074	872,043	(2,969)
Total expenditures	4,295,571	4,003,533	292,038	6,595,435	5,547,540	1,047,895
Excess (deficiency) of revenues over expenditures	(4,010,571)	(3,723,669)	286,902	(6,310,435)	(4,986,080)	(1,324,355)
Other financing sources (uses)						
Operating transfers in	2,684,086	2,684,086	--	4,242,006	4,185,037	56,969
Operating transfers out	(246,839)	(246,839)	--	(2,887,639)	(2,985,985)	98,346
Note proceeds	--	--	--	2,664,000	2,664,000	--
Total other financing sources (uses)	2,437,247	2,437,247	--	4,018,367	3,863,052	155,315
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,573,324)	(1,286,422)	286,902	(2,292,068)	(1,123,028)	(1,169,040)
Fund balance, beginning of year	6,544,039	6,663,471	119,432	9,582,617	9,613,870	(31,253)
Fund balance, end of year	<u>\$4,970,715</u>	<u>\$5,377,049</u>	<u>\$ 406,334</u>	<u>\$7,290,549</u>	<u>\$8,490,842</u>	<u>\$ (1,200,293)</u>

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Board is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the Board has decided that periodic determination of net income is appropriate for accountability purposes.

Navarre Beach Fund - established to plan and develop the water and sewer system of Navarre Beach and to administer the county-leased land on Santa Rosa Island.

Landfill Fund - established to account for operation of the solid waste disposal facilities of the county.

Peter Prince Field Fund - established to account for activities related to the rental of hangers at Peter Prince Field.

Industrial Park Fund – established to segregate and identify revenues and expenses associated with development of the Industrial Park.

Santa Rosa County, Florida
Board of County Commissioners

COMBINING BALANCE SHEET
ENTERPRISE FUNDS

September 30, 1999

	Navarre Beach	Landfill	Peter Prince Field	Industrial Park	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 351,923	\$ 163,910	\$ 59,223	\$ 74,679	\$ 649,735
Investments	3,490,695	890,365	222,182	415,137	5,018,379
Accounts receivable	105,428	120,919	108	341	226,796
Leases - current	14,660	--	--	--	14,660
Total current assets	3,962,706	1,175,194	281,513	490,157	5,909,570
Restricted assets					
Investments	628,861	1,037,365	--	--	1,666,226
Total restricted assets	628,861	1,037,365	--	--	1,666,226
Leases - long-term	62,096	--	--	--	62,096
Notes receivable	--	--	--	1,804,843	1,804,843
Interest receivable	--	--	--	33,201	33,201
Deferred charges	124,117	77,800	--	--	201,917
Fixed assets					
Land	--	936,877	10,325	503,684	1,450,886
Buildings	123,820	307,547	914,491	--	1,345,858
Improvements	3,718,151	4,460,347	1,597,049	--	9,775,547
Machinery and equipment	285,175	2,371,689	--	--	2,656,864
Construction in progress	2,450,127	--	--	--	2,450,127
Accumulated depreciation and amortization	(3,415,802)	(4,007,747)	(322,350)	--	(7,745,899)
Total fixed assets (net of accumulated depreciation)	3,161,471	4,068,713	2,199,515	503,684	9,933,383
Total assets	<u>\$ 7,939,251</u>	<u>\$ 6,359,072</u>	<u>\$ 2,481,028</u>	<u>\$2,831,885</u>	<u>\$ 19,611,236</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 39,374	\$ 25,265	\$ 895	\$ 1,131	\$ 66,665
Accrued compensation	6,994	19,308	--	--	26,302
Due to other governments	764	--	--	--	764
Due to other funds	--	--	9,722	81	9,803
Total current liabilities	47,132	44,573	10,617	1,212	103,534
Current liabilities payable from restricted assets					
Revenue bonds - current	505,000	122,500	--	--	627,500
Accrued interest	17,874	37,359	--	--	55,233
Deposits	--	26,700	--	100,000	126,700
Current portion of landfill closure costs	--	172,139	--	--	172,139
Total current liabilities payable from restricted assets	522,874	358,698	--	100,000	981,572
Noncurrent liabilities					
Deferred revenue	62,096	--	--	726,309	788,405
Compensated absences	72,580	217,463	--	--	290,043
Long term portion of landfill closure costs	--	6,292,476	--	--	6,292,476
Revenue bonds payable - net of discount	1,913,750	3,360,801	--	--	5,274,551
Total noncurrent liabilities	2,048,426	9,870,740	--	726,309	12,645,475
Total liabilities	2,618,432	10,274,011	10,617	827,521	13,730,581
FUND EQUITY					
Contributed capital	2,361,764	2,867,648	2,521,865	1,726,818	9,478,095
Retained earnings (accumulated deficit)					
Reserved	25,533	--	--	--	25,533
Unreserved	2,933,522	(6,782,587)	(51,454)	277,546	(3,622,973)
Total retained earnings	2,959,055	(6,782,587)	(51,454)	277,546	(3,597,440)
Total fund equity (accumulated deficit)	5,320,819	(3,914,939)	2,470,411	2,004,364	5,880,655
Total liabilities and fund equity	<u>\$ 7,939,251</u>	<u>\$ 6,359,072</u>	<u>\$ 2,481,028</u>	<u>\$2,831,885</u>	<u>\$ 19,611,236</u>

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS**

Year ended September 30, 1999

	Navarre Beach	Landfill	Peter Prince Field	Industrial Park	Total
Operating revenues					
Charges for services	\$ 2,512,509	\$ 2,055,947	\$ --	\$ 57,521	\$ 4,625,977
Leases	830,814	--	148,385	4,004	983,203
Miscellaneous	7,706	8,556	232	133	16,627
Total operating revenues	3,351,029	2,064,503	148,617	61,658	5,625,807
Operating expenses					
Personal services	298,789	688,164	--	--	986,953
Contract services	61,709	380,531	--	2,581	444,821
Supplies	35,977	19,653	--	--	55,630
Repairs and maintenance	151,098	178,145	23,812	6,212	359,267
Utilities	126,818	22,656	1,511	3,967	154,952
Depreciation	206,936	292,240	161,175	--	660,351
Travel and per diem	1,888	6,426	--	--	8,314
Insurance	1,469	1,175	--	--	2,644
Communications	16,568	7,663	--	--	24,231
Advertising	201	--	--	--	201
Fuel and oil	3,207	65,206	--	--	68,413
Rentals	100	4,089	--	--	4,189
Landfill closure and maintenance	--	(1,406,191)	--	--	(1,406,191)
Bad debt	--	70,059	--	--	70,059
Miscellaneous	2,321	4,313	--	--	6,634
Total operating expenses	907,081	334,129	186,498	12,760	1,440,468
Operating income	2,443,948	1,730,374	(37,881)	48,898	4,185,339
Non-operating revenues (expenses)					
Sale of land	--	--	--	104,500	104,500
Interest income	158,704	108,581	11,016	95,682	373,983
Interest expense	(118,769)	(229,001)	--	--	(347,770)
State grants	--	76,678	--	--	76,678
Aid to private organizations	--	(30,000)	--	--	(30,000)
Amortization & other bond costs	(29,559)	(6,147)	--	--	(35,706)
Total non-operating revenues (expenses)	10,376	(79,889)	11,016	200,182	141,685
Net income	2,454,324	1,650,485	(26,865)	249,080	4,327,024
Accumulated retained earnings(deficit), beginning of year	504,731	(8,433,072)	(24,589)	28,466	(7,924,464)
Accumulated retained earnings(deficit), end of year	<u>\$ 2,959,055</u>	<u>\$ (6,782,587)</u>	<u>\$ (51,454)</u>	<u>\$277,546</u>	<u>\$ (3,597,440)</u>

Santa Rosa County, Florida
Board of County Commissioners

COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

Year ended September 30, 1999

	Navarre Beach Fund	Landfill Fund	Peter Prince Field	Industrial Park	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$2,443,948	\$ 1,730,374	\$ (37,881)	\$ 48,898	\$ 4,185,339
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	206,936	292,240	161,175	--	660,351
Bad debt	--	70,059	--	--	70,059
(Increase) decrease in:					
Accounts receivable	(7,828)	69,767	(591)	(341)	61,007
Leases receivable	(9,669)	--	--	--	(9,669)
Due from other governments	--	139,534	--	--	139,534
(Decrease) increase in:					
Accounts payable	(463,264)	(287,328)	705	129	(749,758)
Accrued compensation	(900)	1,547	--	--	647
Annual and sick leave	5,784	(14,420)	--	--	(8,636)
Landfill closure costs payable	--	(1,406,191)	--	--	(1,406,191)
Deferred revenue	(4,905)	--	--	--	(4,905)
Deposits	--	7,560	--	--	7,560
Due to other governments	(2,211)	--	--	--	(2,211)
Net cash provided by operating activities	2,167,891	603,142	123,408	48,686	2,943,127
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
State grants	--	76,678	--	--	76,678
Aid to private organizations	--	(30,000)	--	--	(30,000)
Net cash provided by noncapital financing activities	--	46,678	--	--	46,678
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition & construction of capital assets	(815,159)	(581,424)	--	--	(1,396,583)
Proceeds from sale of land	--	--	--	104,500	104,500
Proceeds from note receivable	--	--	--	11,399	11,399
Interest paid	(122,321)	(231,101)	--	--	(353,422)
Principal paid on bonds	(505,000)	(115,000)	--	--	(620,000)
Net cash provided (used) by capital and related financing	(1,442,480)	(927,525)	--	115,899	(2,254,106)
CASH FLOWS FROM INVESTING ACTIVITIES					
Net sale (purchase) of investments - State Investment Po	(1,737,279)	211,939	(102,482)	(313,137)	(1,940,959)
Interest income	158,704	108,581	11,016	95,682	373,983
Net cash provided (used) by investing activities	(1,578,575)	320,520	(91,466)	(217,455)	(1,566,976)
NET INCREASE (DECREASE) IN CASH	(853,164)	42,815	31,942	(52,870)	(831,277)
CASH AND CASH EQUIVALENTS AT BEGINNING OF Y	1,205,087	121,095	27,281	127,549	1,481,012
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 351,923	\$ 163,910	\$ 59,223	\$ 74,679	\$ 649,735

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Board and to other government units, on a cost reimbursement basis.

Self-Insurance Fund - established to account for monies provided to cover current costs and future reserve requirements for the County's self-insurance programs.

Central Communications Fund - established to account for provision of telephone services to various departments of the Board and offices of certain other county elected officials.

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS**

September 30, 1999

ASSETS	Self- Insurance Fund	Central Communications Fund	Total
Current assets			
Cash and cash equivalents	\$ 1,346	\$ 10,068	\$ 11,414
Investments	2,080,024	123,003	2,203,027
Accounts receivable, net of uncollectibles	1,925	20,584	22,509
Due from other funds	188,382	--	188,382
Total current assets	<u>2,271,677</u>	<u>153,655</u>	<u>2,425,332</u>
Fixed assets			
Machinery and equipment	--	374,786	374,786
Accumulated depreciation	--	(328,238)	(328,238)
Total fixed assets (net of accumulated depreciation)	<u>--</u>	<u>46,548</u>	<u>46,548</u>
Total assets	<u><u>\$ 2,271,677</u></u>	<u><u>\$ 200,203</u></u>	<u><u>\$ 2,471,880</u></u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 34,228	\$ 17,524	\$ 51,752
Current portion of claims payable	650,000	--	650,000
Accrued compensation	578	782	1,360
Due to other funds	30,000	--	30,000
Total current liabilities	<u>714,806</u>	<u>18,306</u>	<u>733,112</u>
Noncurrent liabilities			
Compensated absences	--	917	917
Long-term portion of claims payable	1,787,471	--	1,787,471
Total noncurrent liabilities	<u>1,787,471</u>	<u>917</u>	<u>1,788,388</u>
Total liabilities	<u>2,502,277</u>	<u>19,223</u>	<u>2,521,500</u>
FUND EQUITY			
Contributed capital	--	125,665	125,665
Retained earnings (accumulated deficit)			
Unreserved - undesignated	(230,600)	55,315	(175,285)
Total retained earnings	<u>(230,600)</u>	<u>55,315</u>	<u>(175,285)</u>
Total fund equity	<u>(230,600)</u>	<u>180,980</u>	<u>(49,620)</u>
Total liabilities and fund equity	<u><u>\$ 2,271,677</u></u>	<u><u>\$ 200,203</u></u>	<u><u>\$ 2,471,880</u></u>

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS**

Year ended September 30, 1999

	Self- Insurance Fund	Central Communications Fund	Total
Operating revenues			
Charges for services	\$ --	\$ 153,091	\$ 153,091
Premiums received	741,278	--	741,278
Insurance proceeds	52,291	--	52,291
Miscellaneous	--	(1,305)	(1,305)
	<u>793,569</u>	<u>151,786</u>	<u>945,355</u>
Total operating revenues			
Operating expenses			
Personal services	--	24,758	24,758
Contract services	47,770	--	47,770
Supplies	2,619	934	3,553
Repairs and maintenance	--	41,470	41,470
Depreciation	--	21,758	21,758
Communications	1,125	279,181	280,306
Claims	2,136,051	--	2,136,051
State assessment	59,590	--	59,590
Insurance and bond premiums	182,586	--	182,586
Travel and per diem	496	--	496
Miscellaneous	4,325	150	4,475
	<u>2,434,562</u>	<u>368,251</u>	<u>2,802,813</u>
Total operating expenses			
Operating income (loss)	<u>(1,640,993)</u>	<u>(216,465)</u>	<u>(1,857,458)</u>
Non-operating revenues (expenses)			
Interest income	142,863	9,717	152,580
	<u>142,863</u>	<u>9,717</u>	<u>152,580</u>
Total non-operating revenues (expenses)			
Income (loss) before operating transfers	(1,498,130)	(206,748)	(1,704,878)
Operating transfers in	--	40,000	40,000
	<u>(1,498,130)</u>	<u>(166,748)</u>	<u>(1,664,878)</u>
Net income (loss)			
Accumulated retained earnings (deficit), beginning of year	1,267,530	222,063	1,489,593
	<u>1,267,530</u>	<u>222,063</u>	<u>1,489,593</u>
Accumulated retained earnings (deficit), end of year	<u>\$ (230,600)</u>	<u>\$ 55,315</u>	<u>\$ (175,285)</u>

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

Year ended September 30, 1999

	Self Insurance Fund	Central Communications Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$(1,640,993)	\$ (216,465)	\$ (1,857,458)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	--	21,758	21,758
Change in assets and liabilities			
(Increase) decrease in:			
Accounts receivable	(1,925)	(13,497)	(15,422)
Due from other governments	34,586	1,314	35,900
Increase (decrease) in:			
Accounts payable	6,222	(55,745)	(49,523)
Accrued compensation	(757)	91	(666)
Annual and sick leave	--	787	787
Claims payable	438,904	--	438,904
Net cash used by operating activities	(1,163,963)	(261,757)	(1,425,720)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers in	--	40,000	40,000
Increase (decrease) in due to other funds	641	--	641
(Increase) decrease in due from other funds	(188,382)	57,061	(131,321)
Net cash provided (used) by noncapital financing activities	(187,741)	97,061	(90,680)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net purchase (sale) of investments - State Investment Pool	1,147,523	75,164	1,222,687
Interest income	142,863	9,717	152,580
Net cash provided by investing activities	1,290,386	84,881	1,375,267
NET INCREASE (DECREASE) IN CASH	(61,318)	(79,815)	(141,133)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	62,664	89,883	152,547
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,346</u>	<u>\$ 10,068</u>	<u>\$ 11,414</u>

TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the Board in a trustee capacity. Agency funds are used to account for assets held by the Board as an agent for individuals, private organizations, other governments and/or other funds.

Insurance Clearance Fund – established to account for funds deducted from the Board's and other constitutional officer's employee's pay and disbursements on their behalf.

Flex Benefit Fund – to account for the funds deducted from the Board's and other constitutional officer's employee's pay and disbursements related to the Board's cafeteria plan.

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

Year ended September 30, 1999

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
INSURANCE CLEARANCE				
Assets				
Cash	\$ 208,229	\$2,700,711	\$2,736,738	\$ 172,202
Accounts receivable	9,014	194,950	193,684	10,280
Total assets	<u>\$ 217,243</u>	<u>\$2,895,661</u>	<u>\$2,930,422</u>	<u>\$ 182,482</u>
Liabilities				
Accounts payable	\$ 204,090	\$5,076,420	\$5,113,874	\$ 166,636
Due to other funds	13,153	14,739	12,046	15,846
Total liabilities	<u>\$ 217,243</u>	<u>\$5,091,159</u>	<u>\$5,125,920</u>	<u>\$ 182,482</u>
Flex Benefit				
Assets				
Cash	\$ 7,304	\$ 32,296	\$ 32,578	\$ 7,022
Accounts receivable	64	--	64	--
Total assets	<u>\$ 7,368</u>	<u>\$ 32,296</u>	<u>\$ 32,642</u>	<u>\$ 7,022</u>
Liabilities				
Accounts payable	\$ 2,368	\$ 32,296	\$ 32,642	\$ 2,022
Due to other funds	5,000	43	43	5,000
Total liabilities	<u>\$ 7,368</u>	<u>\$ 32,339</u>	<u>\$ 32,685</u>	<u>\$ 7,022</u>
TOTAL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 215,533	\$2,733,007	\$2,769,316	\$ 179,224
Accounts receivable	9,078	194,950	193,748	10,280
Total assets	<u>\$ 224,611</u>	<u>\$2,927,957</u>	<u>\$2,963,064</u>	<u>\$ 189,504</u>
Liabilities				
Accounts payable	\$ 206,458	\$5,108,716	\$5,146,516	\$ 168,658
Due to other funds	18,153	14,782	12,089	20,846
Total liabilities	<u>\$ 224,611</u>	<u>\$5,123,498</u>	<u>\$5,158,605</u>	<u>\$ 189,504</u>

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Honorable Board of County Commissioners
Honorable Mary M. Johnson, Clerk and Accountant to the
Board of County Commissioners
Santa Rosa County, Florida

We have audited the special purpose financial statements of the Board of County Commissioners of Santa Rosa County, Florida, (Board), as of and for the year ended September 30, 1999, and have issued our report thereon dated January 25, 2000, which was qualified for a lack of valuations for general fixed assets. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However we noted an immaterial instance of noncompliance that we have reported to management in a letter dated January 25, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board, management and appropriate governmental agencies and is not intended to be and should not be used by anyone other than these specified parties.

O'Sullivan Hicks Patton, LLP

Pensacola, Florida
January 25, 2000

MANAGEMENT LETTER

Honorable County Commissioners

Jim Williamson, Chairperson

William Campbell, Vice Chairperson

Debbie Dawsey

Byrd Maypoles

Bill Lundin

Honorable Mary M. Johnson, Clerk and Accountant to the

Board of County Commissioners

Santa Rosa County, Florida

We have audited the financial statements of the Santa Rosa County, Florida, Board of County Commissioners, (hereinafter referred to as "Board"), as of and for the fiscal year ended September 30, 1999, and have issued our report thereon dated January 25, 2000 which was qualified for a lack of valuations for general fixed assets.

We have issued our Independent Auditor's Report On Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance With *Government Auditing Standards* dated January 25, 2000. Disclosures in that report, if any, should be considered in conjunction with this management letter.

Except as discussed in the first paragraph, we conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.554 (1) (e) 1.) require that we comment as to whether or not inaccuracies, irregularities, shortages, defalcations, and/or violations of laws, rules, regulations, and contractual provisions reported in the preceding annual financial audit report have been corrected. Such matters disclosed in the preceding annual financial audit report and their resolution, if any, are addressed in the accompanying follow-up of prior year findings.

The Rules of the Auditor General (Section 10.554 (1) (e) 2.) require that we comment as to whether or not recommendations made in the preceding annual financial audit report have been implemented. The recommendations made in the preceding annual financial audit report and their implementation, if any, are addressed in the accompanying follow-up of prior year findings.

As required by the Rules of the Auditor General (Section 10.554 (1) (e) 3.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the Board, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554 (1) (e) 4.), we determined that the financial information for the Board, for the fiscal year ended September 30, 1999, included in the combined Santa Rosa County financial report filed with the Department of Banking and Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 1999.

The Rules of Auditor General (Sections 10.554 (1) (e) 6., 7., 8., 9.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on the internal control structure or compliance: recommendations to improve financial management, accounting procedures and internal controls; violations of laws, rules, and regulations which may or may not materially affect the financial statements; illegal or improper expenditures which may or may not materially affect the financial statements; improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); failures to properly record financial transactions; and other inaccuracies, irregularities, shortages, and defalcations discovered by the auditor. Our audit disclosed the matters listed in the accompanying schedule of current year management comments, which are required to be disclosed by Rules of Auditor General (Sections 10.554 (1) (f) 6., 7., 8., 9.)

The Rules of the Auditor General (Section 10.554 (1) (e) 10.) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The legal authority for the Board of County Commissioners of Santa Rosa County, Florida, is disclosed in Note A to the financial statements. The component units related to the Board are also disclosed in Note A to the financial statements.

This management letter is intended for the information of the Board and management, and the State of Florida Office of the Auditor General. However, this report is a matter of public record and its distribution is not limited.

O'Sullivan Hicks Patton, LLP

Pensacola, Florida
January 25, 2000

**Board of County Commissioners
Santa Rosa County, Florida**

**FOLLOW-UP OF PRIOR YEAR FINDINGS REQUIRED BY
OFFICE OF AUDITOR GENERAL**

For the year ended September 30, 1999

MATERIAL WEAKNESSES

There were no material weaknesses reported in the prior year.

REPORTABLE CONDITIONS

There were no reportable conditions reported in the prior year.

REPORTABLE COMPLIANCE FINDING

There were no reportable compliance findings reported in the prior year.

MANAGEMENT COMMENTS

INTERNAL CONTROL COMMENTS

95-1-COMPENSATED ABSENCES FOR CONTRACT EMPLOYEES – Action taken.

97-3– ACCOUNTING PROCEDURES MANUAL – Action taken.

98-1- TIMELY SUBMISSION OF INVOICES – Action taken.

COMPLIANCE COMMENTS

95-2-TANGIBLE PERSONAL PROPERTY RECORDS – Some action taken. Repeated in Management Letter.

95-3-DEBT SERVICE REQUIREMENTS – Action taken.

97-4- DEBT COVENANT - Action taken.

CURRENT YEAR RECOMMENDATIONS

COMPLIANCE COMMENTS – REPEATED FROM PRIOR YEAR

95-2 – TANGIBLE PERSONAL PROPERTY RECORDS

Finding – The Rules of the Auditor General Chapter 10.400 require each governmental unit to maintain an adequate record of its property. The Board is responsible for maintaining the records of fixed assets of the Board and certain other elected officials. There has been no reconciliation of the fixed assets listing to the general ledger balance.

Recommendation - We understand the Clerk has assigned responsibility to a specific person for reconciling and maintaining the County's property records and has taken steps to comply with the Rules of the Auditor General. However, we noted this process is not yet complete since there is still a material difference between the property records and the general ledger.

COMPLIANCE COMMENTS - CURRENT YEAR FINDINGS

99-1-ARBITRAGE REQUIREMENTS

Finding – Our review of the District Two Franchise Fee Revenue Note, Series 1998, documents and related expenditures indicates it may not comply with non-arbitrage tax exemptions of the Internal Revenue Code.

Recommendation – We recommend the County review the arbitrage requirements relating to the above mentioned note and insure that they are in compliance with the requirements.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH BOND COVENANTS

Honorable Board of County Commissioners
Honorable Mary M. Johnson, Clerk and Accountant to the
Board of County Commissioners
Santa Rosa County, Florida

We have audited, in accordance with generally accepted auditing standards, the special purpose financial statements of the Board of County Commissioners of Santa Rosa County, Florida (hereinafter referred to as "Board"), as of and for the year ended September 30, 1999, and have issued our report thereon, dated January 25, 2000, which was qualified for lack of valuations for general fixed.

In connection with our audit, nothing came to our attention that caused us to believe that the Board failed to comply with the terms, covenants, provisions, or conditions contained in the Water and Sewer Refunding Revenue Bonds, Series 1998 debt agreement, dated April 22, 1998, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the Board, management, and holders of the above noted bonds and should not be used for any other purpose.

O'Sullivan Nicks Patton, LLP

Pensacola, Florida
January 25, 2000